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Brazil Reinstates Direct Elections For Its President

The Associated Press
BRASILIA — Congress voted unanimously Thursday to amend Brazil's constitution to reinstate direct presidential elections, meeting a popular demand frustrated for 21 years of military rule.

The Congress passed several other major political bills. These will allow illiterate people to vote, legalize the Communist Party, establish direct elections for mayors of state capitals, grant greater freedom to form and operate political parties and end a system that allowed a congressman to be dismissed for voting against a party proposal.

Representative João Gilberto, who sponsored the bill allowing direct presidential elections, called the vote "an enormous advance for democracy." He said, "There was yesterday and there's today and today is totally different. Today we have an absolutely free political system."

"It cleans the house of the military regime," said Representative Arthur Virgilio Neto, of the gov-

ernment's Brazilian Democratic Movement Party.

Brazilians last voted for president in 1964. The military seized power in 1964, yielding only this year to civilian rule.

The presidential election measure was sent to Congress by President José Sarney, who had been elected vice president by an electoral college and took office on April 21 when President-elect Tancredino Neves died after a 38-day illness.

Mr. Neves won a lopsided victory over Paulo Salim Maluf on Jan. 15 in the 686-member electoral college because of defections from the military-backed Social Democratic Party.

In an initial round of voting, the constitutional amendment was approved in the Chamber of Deputies on Wednesday, 458-0, and the Senate approved it with 62 of a possible 69 votes.

On the second and final ballot Thursday, the Congress unanimously approved the measure in a



President José Sarney

joint session. It takes effect immediately.

The right to vote for president became an emotional popular issue early last year. Millions of Brazilians took to the streets to demand direct elections, showing a political force virtually unknown under the military regime.

But there were few people in the congressional galleries during the voting that began Wednesday night.

"The rules have changed since (Continued on Page 2, Col. 6)

Reagan Lashes Back at Gorbachev; Soviet Parade Stresses Military Might

Moscow Holds A Huge Rally For V-E Day

By Seth Mydans

MOSCOW — The Soviet Union marked the 40th anniversary of victory over Nazi Germany on Thursday with a Red Square parade that included tanks and artillery from World War II as well as some new weaponry never seen in public.

World War II veterans in their old uniforms and a contingent of partisan fighters in soft caps, their chests bright with medals, joined the march.

Addressing the parade, Defense Minister Sergei L. Sokolov spoke of the "invincibility of the land of the Soviets" and said that "retribution will be inevitable" for anyone who encroaches on the security of the Soviet Union or its partners.

While paying tribute to its wartime allies, including the United States, Britain and France, Marshal Sokolov said, "The whole world knows that it was the Soviet Union that made the decisive contribution to victory" and to "saving world civilization."

The Soviet leader, Mikhail S. Gorbachev, led the 13 members of the ruling Politburo in reviewing the marching parade from atop the Lenin Mausoleum.

In an address at a reception later, he said: "In the Russian language, the word 'win' which is dear to us all, has two meanings. One is 'our planet.' The other is 'absence of war.' And these two meanings are indivisible."

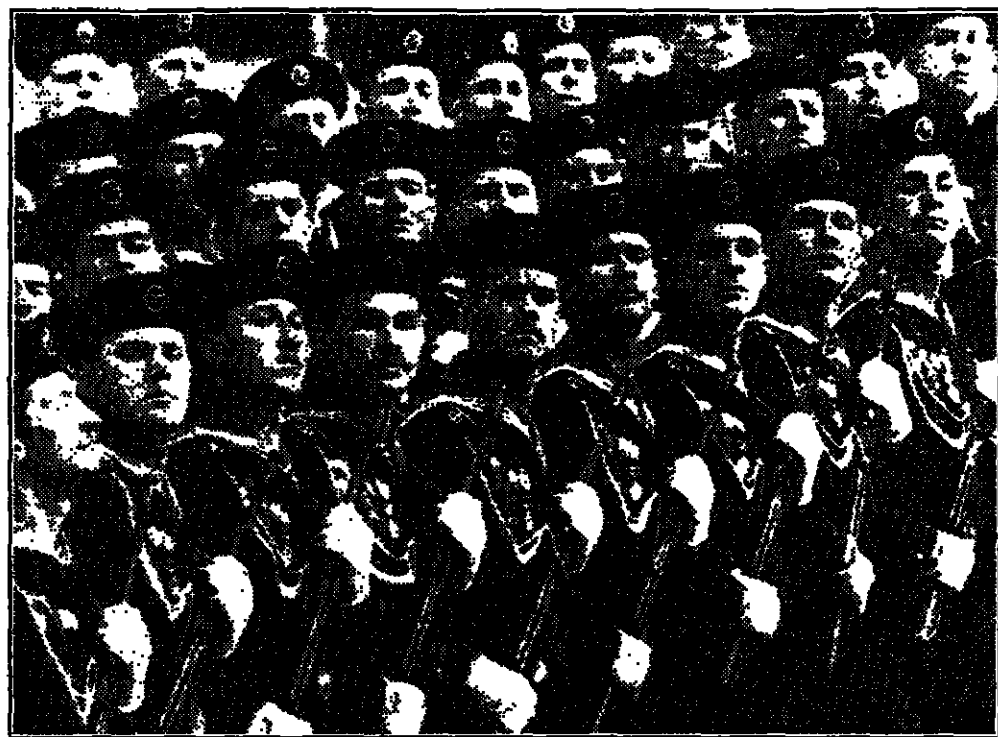
The U.S. ambassador, Arthur A. Hartman, boycotted the parade and a speech by Mr. Gorbachev on Wednesday night in which the Soviet leader criticized the United States as an aggressive force in the world today. American spokesmen said the reasons for the boycott were the belligerent tone of the celebrations and the shooting in East Germany by a Soviet sentry.

Throughout the sunny afternoon after the parade, veterans from around the city gathered in the squares and parks of Moscow for the reunions that have become a Victory Day tradition.

Around the country, from the central square of Leningrad, which withstood a nearly three-year siege, to Volgograd, where a million people died in a battle that turned the tide of the war, the parades were followed by similar outpourings. Volgograd then was known as Stalingrad.

Moscow's parade began with a 20-minute march-through that included detachments from Poland and Czechoslovakia and troops from modern units.

Then the Russian armor roared to life, and 20 museum-piece T-34 tanks, the pride of the defense of (Continued on Page 2, Col. 3)



Soviet marines marched through Red Square on Thursday during Moscow's celebration of the 40th anniversary of V-E Day. Top, as did elderly veterans and partisans who served in World War II. Moscow celebrated the end of the war one day later than its Western wartime allies because it did not consider the war over until Prague was liberated on May 9.

Russia Planning to Replace Missiles

Rockets in Silos Reported to Be Changed for Mobile Ones

By Walter Pincus

WASHINGTON — The Soviet Union has told the United States in Geneva that it will replace older SS-11 intercontinental ballistic missiles in silos with new SS-25 ICBMs to avoid undercutting what Moscow considers to be its limits under the unratified strategic arms limitation agreement, according to sources.

Moscow said it would initially deploy 18 of the new mobile single-warhead SS-25s and remove 20 SS-11s from silos, sources said.

Soviet officials discussed the missile exchanges two weeks ago before the U.S.-Soviet Standing Consultative Commission, whose normally secret sessions deal with questions about adherence to terms of arms-control agreements.

Word of the Soviet move came from persons inside and outside of U.S. government who are critical of what they say are preparations by the Reagan administration to break out of the treaty limits.

President Ronald Reagan is required by law to report to Congress by June 1 on the consequences of continuing U.S. adherence to the limits in the unratified treaty. An interagency committee is developing options for him.

The administration is also pressured by the fact that the United States could exceed the limits for multi-warhead missiles in October. At that time, the U.S. Navy is scheduled to deploy a Trident submarine with 24 missiles would put the United States 14 missiles above the limit if no compensatory steps were taken. Among possible steps are the retirement of a 16-missile Poseidon submarine or deactivation of 14 Minuteman-3 land-based ICBMs.

Assistant Secretary of Defense Richard N. Perle, an arms-control policymaker in the Pentagon, told a Senate Armed Services subcommittee Tuesday that in his "personal view," the United States should not continue to respect the treaty limits after the agreement expires at the end of this year. Although the treaty was never ratified, both superpowers agreed to respect its limits.

Mr. Perle contended that the United States had more to lose than the Soviet Union by adhering to the treaty. Because of the Trident submarines due to be deployed over the next few years and

the 10-warhead MX intercontinental missile due in December 1986, the United States would have to retire a "significantly larger number" of missiles than the Soviet Union, Mr. Perle said.

Randall Forsberg of the Institute for Defense and Disarmament Studies said Wednesday that a study of Soviet weapons programs showed that Moscow has the most to lose from the treaty limits. He said Moscow was close to the limits for land- and submarine-based missiles, and had many missiles coming on line that could only be deployed by retiring others.

In discussing the Soviet SS-25 presentation in Geneva, an expert said Wednesday:

"They are sending us a mixed message. They say they are interested in continuing interim restraints on missiles, but they want us to know they can expand their offensive forces rapidly" if the treaty limits are dropped.

The SS-25 came up for discussion, a source said, because Washington said the SS-25 missile violated the treaty provision limiting each country to one new ICBM.

The Soviet Union responded that the SS-25, which also can be carried on a truck-like mobile launcher, was not a new missile but a modification of its earlier SS-13 ICBM.

Lisbon Speech Is Critical of Communism

The Associated Press

LISBON — President Ronald Reagan, addressing the Portuguese legislature Thursday, sharply criticized Soviet and Nicaraguan leaders and declared that Western nations must remain militarily strong "so that never again would we be forced" to "resort to violence" to safeguard liberty.

Warning of threats of Soviet aggression that have persisted since the end of World War II, Mr. Reagan rejected criticism from the Soviet leader, Mikhail S. Gorbachev, and accused Nicaragua of "interfering with democracy in the Americas."

At a Kremlin rally Wednesday, the Soviet leader had called the United States "the forward edge of the war menace to mankind."

[The House of Representatives passed, 322-93, a nonbinding resolution Thursday calling for the expulsion of Ambassador Anatoli F. Dobrynin unless the Soviet Union apologizes for the shooting death of U.S. Army Major Arthur D. Nicholson Jr., United Press International reported from Washington.]

[The sponsor, Representative William Broomfield, Republican of Michigan, said he had not checked with the White House or State Department on the resolution, an amendment to the State Department spending bill, but said "it is time to get tough."]

[Representative Henry Gonzalez, Democrat of Texas, countered that the resolution "stinks, literally" and that if Republicans want to be tough on the Soviet Union, "pass a resolution declaring war. That will really send a message."]

About 40 Communist Party delegates to Portugal's Assembly of the Republic walked out of the chamber before Mr. Reagan delivered the final major speech of his 10-day European tour, after conferring with Prime Minister Mario Soares.

The president began his speech by ad-libbing to the remaining delegates, "I'm sorry that some of the chairs on the left seem to be uncomfortable."

At another point in his address, which was warmly applauded by those remaining of the 250-member assembly, Mr. Reagan interjected that the meaning of democracy included "the right to speak, to assemble, to publish and to vote, even to walk out."

Afterward the Communists issued a statement saying their walk-out was intended to display "indignation and repulse as to Mr. Reagan's presence, especially after his homage to Nazi criminals, members of the SS, in the cemetery of Birkenau."

The president congratulated Portugal for turning away from 42 years of dictatorial rule to embrace democracy, and criticized communist societies.

He said it is in "the collective world that economies stagnate, that technology is lagging and that people are oppressed and unhappy with their lives."

Citing Portugal's heritage of producing explorers, Mr. Reagan said, "Once again, you are charting a new course, not just for Portugal but for all others, especially those people of the Third World with whom your long-established ties permit you to speak with a special trust, wisdom and candor."

In summing up his trip, he said, "I have seen in these past days reminders of the tragedy and the grandeur of our time. I have heard the voice of the 20th century. It is humanity's voice, heard in every country, every time."

"And the words are unmistakable; they call out to us in anguish but also in hope: let the nations live in peace among themselves, let all (Continued on Page 2, Col. 6)

Party Rivals Seize on U.S. Trade Issue But Attacks Appear to Aid Nakasone

By Clyde Haberman

TOKYO — Rival politicians in the governing Liberal Democratic Party have seized upon the trade crisis between the United States and Japan as an issue on which they hope to challenge Prime Minister Yasuhiro Nakasone.

But none has made noticeable headway so far, and some political commentators say they suspect that Mr. Nakasone has grown stronger as the result of open disunity within the party.

The big question has been what, if anything, the government should do to stimulate domestic demand and thus improve the chances that Japanese will heed their prime minister's call to buy more foreign products. A cabinet advisory panel last month recommended new tax policies and stimulative government spending as ways to increase buying power, along with shorter working hours to give people more time to spend their money.

Mr. Nakasone, although generally welcoming these proposals, has reacted icily to suggestions that taxes should be cut and public-works programs expanded. One of his main priorities since taking office in late 1982 has been to reduce Japan's huge budget deficits, which in percentage terms are larger than those of the United States. Consequently, his cabinets have adopted only austere budgets.

To reduce Japan's considerable trade surplus against the United States, the prime minister has put less emphasis on increasing domestic demand than on removing tariffs and other barriers to imports.

In support, the government's Economic Planning Agency issued a



Yasuhiro Nakasone

report this week asserting that income-tax reductions would neither stimulate consumption nor alter a basic Japanese tendency toward high savings rates.

But other Liberal Democratic elders say government priorities should be reversed, and for them the trade crisis could not have come at a more convenient time.

Even before the protectionist fever in Washington reached its present level, some of them were calling for lower taxes and more government spending. Their contention was that Mr. Nakasone had tightened belts too far and that Japan should be building the highways and new housing that were neglected during its economic high-growth years.

As they now see it, the trade issue is simply one more reason to adopt

the sort of "reflationary" policies that the prime minister has resisted. The result has been a choosing-off of sides among senior party members, most of them old rivals of Mr. Nakasone.

Opposing him are two former cabinet members, Toshio Komoto and Kiichi Miyazawa, and the party's vice president, Susumu Nakaido. Supporting the prime minister are such current cabinet members as the foreign minister, Shintaro Abe, and the finance minister, Noboru Takeshita.

The most important factor may be the one thing all these men have in common — an ambition to succeed Mr. Nakasone when his term expires in November 1986.

Mr. Miyazawa and Mr. Komoto, for example, have championed the cause of looser budgets for some time. But others have not been involved conspicuously in economic matters until recently. Mr. Nakaido, for instance, appears to have grown concerned only since last fall, when he briefly, and unsuccessfully, challenged Mr. Nakasone for the party presidency.

Still, the prime minister seems to have strengthened his hand. For one thing, political commentators say, his opponents are divided. For another, he has begun to emerge from the shadow of his chief benefactor, former Prime Minister Kakuei Tanaka, who was found guilty in 1983 in the Lockheed bribery scandal.

Mr. Tanaka, often described as the Liberal Democratic kingmaker, was hospitalized on Feb. 27 after a stroke. In the absence of a strong behind-the-scenes figure, Mr. Nakasone has found it easier to assert himself, some commentators say.

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EC's Budget Advanced by Parliament Wins Reagan's Support

United Press International

STRASBOURG, France — The European Community cleared a major obstacle Thursday in efforts to get a working budget for this year when its Parliament passed the bulk of the 1985 budget proposals that had been approved by member governments.

But the Parliament refused to approve a final spending figure, saying a more realistic sum should emerge at a second budget reading, expected next month.

The Parliament rejected the budget in December because the spending proposals of 26 billion European Currency Units (\$19 billion) were below the foreseen commitments. The 10 governments have since agreed to provide the subsidies needed to make up the difference, estimated at 2 billion ECUs.

Another breakthrough Thursday was the defeat of proposals that would have blocked payment of a budget rebate to Britain that had been agreed to by the other nine community governments.

The budget deficit resulted from the exhaustion of the community's main source of revenue, a 1-percent share of value-added-tax levies. This share is to be increased to 1.4 percent next year.

Members of Parliament say that a final budget figure can be agreed on only after agriculture ministers have finally fixed 1985 farm prices.

They also want higher spending on food aid and other projects, which could bring total spending to a record 38.5 billion ECUs, compared with last year's 27 billion ECUs.

WASHINGTON — President Ronald Reagan agreed Thursday to a new Republican budget plan that would limit military spending increases to the level of inflation and delay Social Security raises, an aide to Senator John C. Stennis, Democrat of Mississippi, said.

The aide said Mr. Reagan telephoned Mr. Stennis from Lisbon, where the president is ending his European tour, to lobby for his vote on the budget compromise plan.

[The White House spokesman, Larry Speakes, confirmed Mr. Reagan's support of the proposal, The Associated Press reported.]

The new budget plan was put together by the Senate majority leader, Robert J. Dole of Kansas, who said it would cut "\$53 to \$56 billion" from the deficit, which is currently estimated at about \$200 billion.

Mr. Dole, who was unable to get the Senate to agree to the original budget he worked out with Mr. Reagan, has spent this week seeking the support of both senators and the White House for the new plan, including the limit on military spending.

Last week, Mr. Reagan called that approach an "irresponsible act" and pushed for approval of a 3 percent increase in military spending above inflation.

Mr. Dole's revised budget would also freeze Social Security payments at current levels, delaying for a year scheduled cost-of-living raises. The Senate voted last week to grant full payments, rejecting a more modest cut proposed earlier.

The new Republican budget plan also would retain, at lower levels, many of the domestic spending

programs Mr. Reagan wanted to end. The proposal contains no tax increases.

Earlier Thursday, the Senate voted Thursday to continue federal subsidies through fiscal 1986 to Amtrak, the U.S. passenger rail system, which the administration had wanted to phase out.

On a vote of 53-41, the Senate approved an amendment from Senator Arlen Specter, Republican of Pennsylvania, to keep \$616 million in subsidies for the National Railroad Passenger Corp. That is 90 percent of the current amount going to the railroad.

"The thrust of this is to keep Amtrak rolling," Mr. Specter said, noting that if the funding is not provided, "Amtrak will stop operating on September 30 and cause an enormous national dislocation affecting 20 million riders." The action would still have to be approved by the House.

After that vote, Mr. Dole said he still did not know if he had enough support to push a revamped version of Mr. Reagan's budget through the Senate. His party has a 53-47 majority in the chamber.

The situation was confused by the fact that three senators were hospitalized Thursday. They were J. James Exon, Democrat of Nebraska, who had abdominal pains; John P. East, Republican of North Carolina, who has a thyroid condition; and Pete Wilson, Republican of California, who underwent surgery Wednesday for a ruptured appendix.

Vice President George Bush cut short a trip to Arizona to return to Washington in case he was needed to cast a tie-breaking vote. (Continued on Page 4, Col. 6)

Reagan Having a Hard Time With Soft Sell on European Trip

By Lou Cannon

STRASBOURG, France — President Ronald Reagan has spent a week in Europe promoting his vision of democracy and private enterprise, an effort that was supposed to culminate Wednesday with an inspiring address to the European Parliament commemorating the 40th anniversary of the Allied defeat of Nazi Germany.

The national security adviser, Robert C. McFarlane, had said the day before that the speech would feature "a very soft sell" of the president's "ideas for resolution of the problems with the Soviet Union."

But for Mr. Reagan, who prides himself on his persuasive skills, it has been a week in which he encountered unusual difficulty in making a sale.

The president's ragged performance Wednesday, caused in part by a breakdown of his TelePrompTer and partly by leftist hecklers among the parliamentary delegates, deepened a weeklong impression that Mr. Reagan's journey to Europe was a mission gone awry.

At the economic summit in Bonn, Mr. Reagan found all of his European counterparts opposed to U.S. economic sanctions against Nicaragua and most of them skeptical of his

space anti-missile plan. France rejected almost everything that the United States had proposed in either economic or foreign affairs.

The day after the summit ended Mr. Reagan tried to extricate himself from the predicament caused by his decision to lay a wreath at a German military cemetery where 49 members of the Waffen SS are buried.

He partially succeeded with two powerful speeches, but Jewish leaders refused to participate in the ceremony at the

NEWS ANALYSIS

Bergen-Belsen concentration camp site, and the event was further marred when more than 30 Jewish protesters, some of them the children of Holocaust survivors, were hauled away by West German police outside the camp gates.

Mr. Reagan held talks Tuesday with Prime Minister Felipe Gonzalez of Spain that both leaders described as relatively successful.

But these talks also failed to produce the favorable television publicity that is always a central purpose of Mr. Reagan's journeys abroad. Network coverage of his visit Tuesday to Madrid contrasted the friendly ceremony of the state dinner that he was attending with pictures of anti-

Reagan demonstrators being charged and bloodied by police near the U.S. Embassy.

In addition to these conspicuous embarrassments, Mr. Reagan's effectiveness has also been hampered by a series of minor mishaps that conflicted with the White House's reputation for smoothly choreographing events.

When reporters asked why Mr. Reagan had made no mention in his Strasbourg speech Wednesday of the Soviet role in World War II, White House officials produced a letter that they said Mr. Reagan had sent Tuesday to the Soviet leader, Mikhail S. Gorbachev. But Mr. Reagan seemed unaware of the letter when he was asked a question about it by a reporter.

White House officials may also have slipped up in failing to alert reporters to Wednesday's protest at the European Parliament, which they now say was anticipated. Mr. McFarlane held a briefing Tuesday night that lasted longer than the president's speech Wednesday but did not mention expected heckling.

Although Mr. Reagan has been less successful than usual in achieving the rhetorical triumphs that have been a feature of his presidency, his speeches have placed him squarely in the mainstream of post-World War II presidents in appeal. (Continued on Page 2, Col. 3)

Authorities May Permit Some Resettled People To Again Live in Beijing

By John F. Burns
New York Times Service

BEIJING — A week after criticizing as "shameful" the behavior of several hundred men and women who held a sit-in at the Communist Party headquarters here, city authorities have begun moving toward accommodating the protesters' demand that they be permitted to resume residence in the Chinese capital.

The protesters were made up of young people who were resettled in the countryside during the Cultural Revolution and who now wish to come home. The authorities' concession took the form of a circular to all work units in the city, inviting applications on behalf of certain categories of those who had been resettled.

In all, about two million young Beijing residents went to the countryside in the Cultural Revolution, and about 400,000 never returned. The circular took many Chinese by surprise, since officials had previously ordered the protesters to leave the capital forthwith and to immerse themselves once more in the "glorious" tradition of working for the common good in the poorer parts of the country.

For several days, the party-controlled press has been mounting a campaign to extol "educated youth" who have persisted without complaint at their assignments in remote areas, and to praise others who have come forward as volunteers.

Beyond this, the campaign has denigrated as selfish and shameful the tactic of public protest, calling it a relic of the Cultural Revolution.

the 10-year period of political upheaval that ended in 1976.

As word of the city authorities' new circular spread, young Chinese concluded that senior party officials had adopted a two-pronged response to the protest: upholding the resettlement policy before the nation as a whole, but moving quietly to meet the grievances of at least some of those who took the risk of protesting in Beijing.

The logic of this approach is said to lie in the opportunity it gives for the leadership to show flexibility while simultaneously guarding against the problems that would develop if hundreds of thousands of young people around the country suddenly flooded back to the cities.

The Beijing circular said that city officials would accept applications on behalf of three groups of former Beijing residents: those who were single, a group that apparently includes those whose spouses have died, as well as those who never married; those whose marriages ended in divorce; and those who married other former Beijing residents and settled down together in the provinces; and those who married a spouse who remained in Beijing.

It was not clear how many people would meet the criteria. What the concession meant on an individual basis was demonstrated by the reaction of a young English teacher at the university in Hohhot, capital of Inner Mongolia, who rushed to a friend's home in Beijing after hearing of the circular and talked late into the night about the prospect of returning to the city where he grew up.

"I never dreamed I would have chance of returning to Beijing permanently," the young man said. He spoke of his "embarrassment" that his good fortune had come from the "courage" of those who mounted the sit-in, while he had done nothing.

On a broader basis, many Chinese took the concession as fresh evidence of the relative broad-mindedness of the administration of Deng Xiaoping, the 80-year-old party leader who was himself exiled to the provinces during the Cultural Revolution and forced to work as a lathe operator.



BEIJING INFLATION — Shoppers lined up to buy food in Beijing Thursday in anticipation of major price increases Friday. Beef, mutton and fish are going up by more than 100 percent, for example. After Friday, food prices will be set by supply and demand. Beijing is the 23d city to institute the government ordered market reforms.

Huge Soviet Parade Marks V-E Day

(Continued from Page 1)
Moscow, Stalingrad and Kursk, raced into Red Square.

Among the modern equipment, the silvery, short-range SS-21 missile with a nuclear capability was on public display for the first time. Also seen were the T-64 tank, the M-1976 artillery gun, an armored personnel carrier and an air-transportable short-range artillery piece. Western military attaches said.

Gorbachev Backs Détente
Earlier, Serge Schmemmann of The New York Times reported:

Mr. Gorbachev, in his speech Wednesday to war veterans, denounced the United States as the "forward edge of the war menace to mankind" but affirmed his fidelity to the "priceless" experience of détente.

He also said: "From our point of view, détente is not the ultimate aim of policy. It is needed, but only as a transitional stage from a world cluttered with arms to a reliable and all-embracing international security system."

Diplomats said this was Mr. Gorbachev's most elaborate exposition of his interest in a revival of détente, which is one of the basic themes of his administration.

In the speech, Mr. Gorbachev seemed to seek a balance between the assertive patriotism demanded by the occasion and an appeal for renewed cooperation with the United States.

"The policy of the United States is growing more bellicose in character," he said, "and has become a constant negative factor of international relations."

He avoided mentioning President Ronald Reagan, but listed Soviet accusations against his policies, including the effort to develop a space-based defense system, hostility toward the Sandinist government in Nicaragua and support for the anti-Communist insurgents in Afghanistan.

The Soviet leader also was critical of Mr. Reagan's visit to the West German military cemetery at Bitburg, where 49 Waffen SS soldiers are buried. Among the Western leaders meeting in Bonn, he said, "there were politicians ready to forget or even justify the SS outbursts and, moreover, pay honors to them."

But Mr. Gorbachev also paid tribute to the "military valor" of Allied soldiers in World War II.

Reagan's European Mission: Off the Track

(Continued from Page 1)
ing to the traditional values that grew out of the wartime alliance.

Throughout the week Mr. Reagan has quoted from Franklin D. Roosevelt, Harry S. Truman, Dwight D. Eisenhower and John F. Kennedy in appealing for U.S.-European cooperation. His speech Wednesday ruled out any U.S. goal of achieving nuclear superiority, once a Reagan goal.

He also said that "the United States does not seek to undermine or change the Soviet system nor to impose upon the security of the Soviet system." This was in contrast to the emphasis of Reagan statements during his 1982 European trip, when he talked about the

eventual collapse of the Soviet system.

It was phrases like this that brought Mr. McFarlane into conflict with the White House communications director, Patrick J. Buchanan, who reportedly favored a harder line toward the Russians.

A White House official said that Mr. McFarlane had wanted to go beyond deploring Soviet conduct to make a number of practical suggestions for improving U.S.-Soviet relations, as Mr. Reagan did Wednesday.

"Reagan is a conservative, and this was a dispute between conservatives," said the official. "But it was clearly a victory for McFarlane" and Secretary of State

Reagan Says Communists Are a Threat To Americas

(Continued from Page 1)
peoples abide in the fellowship that God intends.

Speaking indirectly to the Soviet leader, Mr. Reagan said the West has learned after World War II that it is a mistake to believe "it is enough only to wish for peace."

"Instead, we accepted reality," Mr. Reagan said. "We took seriously those who threatened to end the independence of our nations and our peoples. And we did what peoples who value their freedom must do. We joined together in a great alliance. And we learned."

"But we did so only so that never again would we be forced — under the weight of our betrayed illusions — to resort to violence," he said.

Asked what he thought of Mr. Gorbachev's speech, Mr. Reagan replied, "What I usually think of him." When a reporter said Mr. Gorbachev had called him a menace to mankind, the president snapped: "Who is he to talk?"

He also criticized Nicaragua's president, Daniel Ortega Saavedra. Told that Mr. Ortega, who is turning Eastern Europe, had called for an end to U.S. interference in Nicaragua, Mr. Reagan replied: "We are not interfering. They're interfering with democracy in the Americas."

Direct Vote For Brazil

(Continued from Page 1)

last year," said Representative Amaral Neto of the Social Democratic Party. "The electoral college ended the last chapter of a regime, and now we are all in favor of direct elections."

President Sarney, 55, said Wednesday he was planning to step down in 1989, but would leave a final decision on the length of his term, as well as a date for elections, to a constitutional assembly to be met in 1987.

"The next step is to clean up the electoral law, freeing access to radio and television and cutting out fraud," said President Ulisses Guimarães of the Chamber of Deputies.

He said that a new package of constitutional legislation to be presented in a few months would also include greater freedom to form and organize labor unions, a new press law and a revised national security law.

WORLD BRIEFS

Vatican Silences Brazilian Theologian

RIO DE JANEIRO (AP) — Leonardo Boff, the Franciscan friar who is a leading proponent of liberation theology, said the Vatican has ordered him to stop speaking in public for an undisclosed period of time as punishment for his views.

In a written statement Wednesday, Father Boff, a theologian and author, defended his views and declared that he was not a Marxist. "By the decision of Rome, I must refrain from speaking in public for a certain time," he said.

According to a statement released Thursday by the Vatican, Father Boff was informed of the punishment May 1 because of teachings that the church had termed "dangerous." The Vatican statement said he had accepted the terms "with religious spirit." It said he could not speak publicly or write during what it called the "period of respectful silence."

M'Bow Urges Using UNESCO Reserve

PARIS (NYT) — UNESCO's director-general, Amadou Mahtar M'Bow, proposed Thursday that money be used from a reserve fund to help make up the loss of Washington's 25 percent contribution to the budget.

The proposal came at the start of a six-week meeting of the executive board of the United Nations Educational, Scientific and Cultural Organization. The board is trying to draw up a budget and program for the next two years following U.S. withdrawal from the agency.

Western delegates appeared hostile to the idea of using the reserve fund, saying that would violate regulations and weaken pressures on Mr. M'Bow to revise agency policies. Meanwhile, the board decided Thursday against debating a U.S. report critical of the agency's management.

Blow Blamed in South African's Death

JOHANNESBURG (NYT) — An autopsy report on Andries Radebe, a 29-year-old black South African labor leader who died after being held by the police, said Thursday that his death had been caused by brain damage "consistent with a blow or fall."

Hospital officials said Thursday that a second black activist died over the weekend after being questioned by police on charges of public violence.

The developments coincided with continued unrest in black townships near Johannesburg, in the Orange Free State and in the Eastern Cape that claimed five more lives.

Snipers Keep Beirut Crossing Shut

BEIRUT (Reuters) — Snipers foiled efforts on Thursday to reopen a single crossing along the Green Line between East and West Beirut after a week of Christian-Muslim fighting.

A police spokesman said two cars quickly crossed the line after it was officially declared open this morning under a cease-fire agreement, but no more drivers risked the journey before the route was shut again less than four hours later.

Rifle shots were fired over the 400 meters (about 437 yards) of dividing land between Christian and Muslim barricades at the crossing's eastern and western ends. Workmen on both sides gave up trying to clear earth barricades, the police said. About 70 people have been killed and hundreds wounded in the worst sectarian fighting in Beirut for nearly a year.

For the Record

The Turkish Cypriot constituent assembly passed a motion in Nicosia on Thursday scheduling a presidential election on June 9 in the self-proclaimed Turkish Republic of Northern Cyprus.

Chancellor Helmut Kohl of West Germany is to visit Britain on May 18 for talks with Prime Minister Margaret Thatcher to prepare next month's European summit, it was announced in Bonn on Thursday. (AP)

Five more patients with Legionnaires' disease were admitted to a hospital in Stafford, England, on Thursday, bringing the total there to 144 cases, including 31 deaths, in three weeks. It was the worst recorded outbreak of the disease. (Reuters)

The U.S. government does not have to contribute to the settlement of the Agent Orange class-action suit by Vietnam veterans and their families, a U.S. district judge ruled Thursday in New York. Seven chemical companies that manufactured the herbicide and had agreed to a \$180-million settlement had sued the government. (AP)

Swedish employers and unions agreed Thursday to resume pay negotiations for the first time since a weeklong strike by civil servants closed airports last Thursday. (Reuters)



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SEC Calls Thayer Case
A Warning to Insiders

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Paul Thayer, a former deputy defense secretary, and his wife, Margery, leave a Washington courthouse after he was sentenced to four years in prison for obstructing justice.

SEC Calls Thayer Case A Warning to Insiders

By Mary Thornton
Washington Post Service

WASHINGTON — The four-year prison term for Paul Thayer, a former deputy defense secretary, is an unusually harsh sentence in a case involving insider stock trading, and marks a growing federal determination to crack down on this increasingly widespread phenomenon.

The Securities and Exchange Commission settles most such cases through civil consent decrees in which defendants neither admit nor deny guilt but agree to repay illicit profits.

In recent years, however, the SEC has referred many more cases for criminal prosecution, often leading to charges of obstruction of justice, the charge to which Mr. Thayer, 65, and a stockbroker friend, Billy Bob Harris, 45, pleaded guilty in March.

Both men were sentenced Wednesday to four years in prison and were fined the maximum \$5,000 each. They have agreed to pay a total of \$830,000 in restitution.

Mr. Thayer resigned from the Defense Department one day before charges were filed against him in January 1984.

The SEC's enforcement chief, Gary Lynch, called the Thayer sentence "a strong, unambiguous message to those who abuse insider information or the investigative process." SEC officials said that they could not recall a stiffer sentence.

Gordon S. Macklin, president of the National Association of Securities Dealers, said Mr. Thayer's sentence "was not too harsh." He said that insider trading, buying and selling stocks based on privileged

information about a company, is "happening every week."

Officials say that the growing number of corporate mergers and takeovers, which drive up the price of the acquired company's shares, have given insiders more opportunities to make rapid and high profits on the stock market.

Business Week magazine recently called insider trading "an epidemic." In a study of takeovers and mergers involving publicly traded companies in the last two years, it found that the price rose in the month before the announcement 72 percent of the time. General market trends would account for 52 percent, it said.

Curt H. Mueller, an SEC enforcement official, said that such trading "skews the market."

"People aren't going to invest their money if they think they're going to get ripped off by the big boys with inside knowledge," he said.

In sentencing Mr. Thayer, U.S. District Judge Charles R. Kelsey said, "If you ride up and down the stairs in the office buildings of Wall Street, you can hear all kinds of rumors and gossip about possible takeovers, mergers, and from people who have no business discussing in such places inside information. Many people take advantage of that."

A 1984 law enables the SEC to recover triple damages in insider trading cases. "The stakes are getting higher," said Anne Flannery, SEC enforcement chief in New York. "The risk of getting caught and being prosecuted is much greater than it was."

Robert B. Robbins, a Washington securities lawyer, said the sentence "will be a deterrent." He added that "there are probably more cases than the SEC, with their limited staff, could prosecute."

Career Plans Backfire for Diplomats in U.S. Service

By Maureen Santini
The Associated Press

WASHINGTON — About 100 Foreign Service officers may find their diplomatic careers abruptly halted as they are forced into early retirement because there are not enough promotions to go around.

"These are good solid performers and it's coming as something of a shock to them," said Dennis K. Hays, president of the American Foreign Service Association, the union of career diplomats. "These are not the duds."

The problem is the Foreign Service's new retirement system that was designed to make way for talented employees on their way up by reducing the number of senior officers in a system that had been criticized as top-heavy.

But no one knew it would work out quite this way.

Under the plan, if a career diplomat does not win a promotion into the senior ranks within six years, he or she is retired mandatorily. It is the diplomat who decides when to begin the six-year clock, once he or she has reached the top of the middle ranks.

About 150 officers, some in their mid-40s, began the process in 1981, the first year the new system was in effect. Their decisions were based on educated assumptions about what the promotion rate would be in the coming six years. Their terms will be up from the beginning of 1987.

Mr. Hays said: "Most of them said, 'I'm a bright guy. I've got a good record. I might as well take a chance and get promoted really fast because there's no way they're going to let me go because I'm too valuable.'"

"The trouble is, there are 150 other guys who have said exactly the same thing, and not all of them are going to be promoted. They literally just cannot get across the threshold because promotion rates have been appreciably lower than they were at the time these people made this decision," he said.

The rates have been 30 percent to 40 percent lower for several reasons: the large number of political appointees who are given diplomatic posts; less voluntary attrition than anticipated; and an increase from 60 to 65 in the mandatory retirement age.

For most of the officers vulnerable to mandatory retirement the next year will be the last for winning promotion. Those who began the process after 1981 "saw what was going on and they were timing themselves a little better," Mr. Hays said.

William I. Bacchus, of the State Department's personnel bureau, said: "Basically, the system is based on vacancies. There's got to be a vacancy at the next level before you can promote somebody, however good they are."

Unlike the Civil Service where employees may remain at one grade level permanently, the Foreign Service requires people to resign if they have not been promoted in a certain number of years.

The average retirement age is 56 with 28 years of service, and that can include military service. Officers may retire after 20 years at 42 percent of their salary.



General Patton during a campaign in World War II.

Los Angeles Agrees to Raise Pay of 3,900 Women

By Janet Clayton
Los Angeles Times Service

LOS ANGELES — In a major concession to the idea of "comparable worth," the city of Los Angeles has agreed to bring the wages of 3,900 women holding traditionally low-paying jobs into line with those of men in jobs on the same skill level.

"This is the first major city that has used comparable worth as a basis for setting wages," said Cheryl Parisi, a spokeswoman for the American Federation of State, County and Municipal Employees, which negotiated Wednesday's settlement with the city.

She said that other cities, such as New York, have agreed to increase the salaries of librarians and those in other job categories traditionally dominated by women. But "this is the first time we've talked about comparability, saying, 'See what truck drivers make and pay clerks the same,'" she added.

The agreement, if approved by the City Council, will cost the city \$12 million in special salary increases, averaging 5 percent a year through June 1988.

The increases, retroactive to April 1, would bring the wages of secretaries, clerks and librarians, at least 70 percent of whom are women, close to wages paid for jobs of similar skill levels dominated by men, such as gardeners, garage attendants, drivers and maintenance personnel.

In arriving at the settlement, said the city administrative officer,

Keith Comrie, the city compared entry-level jobs and found that ones occupied by women and those occupied by men were separated by a 15-percent wage gap.

An additional group of a few hundred employees, including executive secretaries and principal clerks, are likely to receive similar types of "pay equity" raises in the next few months, he said.

Mayor Tom Bradley praised the agreement between the city and the union as a "landmark breakthrough" in reaching pay equity for women.

He said the city had settled the issue "without the pressure of court mandates, or without strikes or sit-ins" that have affected other states and cities.

But the union did file a complaint with the federal Equal Employment Opportunity Commission in 1981, alleging wage discrimination against female employees in the city's salary structure. With the settlement announcement, the union agreed to drop the complaint.

Although city officials insisted that the only issue in the negotiations was "fairness and equity," officials had expressed concern that without a negotiated settlement the city might have been served with a

East German Crosses to West
HANOVER, West Germany — An East German crane operator crossed the border Wednesday into West Germany.

Veterans Swap Memories of Patton Monument Dedicated at Desert Camp in California

By Charles Hillinger
Los Angeles Times Service

CHIRIACO SUMMITT, California — Veterans of General George S. Patton Jr.'s World War II battles in Africa and across Europe commemorated the 40th anniversary of V-E Day at the desert camp location where they trained for the war against the Nazis.

About 50 veterans were among the 400 people present Wednesday as a stone pyramidal monument was dedicated to the World War II Desert Training Center, which was located near this tiny town 30 miles (48 kilometers) east of Indio, California.

Before and after the ceremony, the former soldiers swapped tales, showed each other vintage photographs and reminisced.

For seven months in 1942, General Patton and his 60,000 tank corpsmen and artillerymen learned to fight and survive in the desert in preparation for the African battles.

Charles Jeglinski, 74, of Los Angeles, and Ralph Delgado, 60, of Ontario, California, showed up wearing their old uniforms and brought along memorabilia and photos.

"Here's one you fellas don't have," said Frank Carroll, 65, of Phoenix, Arizona, who trained here.

"Remember what Patton said he was going to do when he reached the Rhine? Here's proof he kept his promise."

Mr. Carroll reached into an envelope and produced a picture of the general uniting into the river.

Next to the monument and speaker's stand was a sign that proclaimed: "Future Home of General Patton Museum."

Gerry Hillier, California desert district manager for the Bureau of Land Management, said that the monument was the first step by the bureau in developing a Patton Memorial Visitor's Center to house his personal papers, artifacts, and reminiscences and records of those who trained at the desert center.

Some of the men at the dedication said General Patton would interrupt programs on the camp radio station and either compliment his soldiers "or give them hell" for something they had done wrong.

The invocation at the ceremony was delivered by the Reverend William B. Pettigrew, 64, of the United Methodist Church of Walnut Creek, California. Mr. Pettigrew was a sergeant in General Patton's European command.

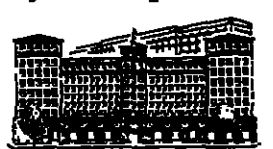
"He was firm, yes," he said. "But he was also a warm, caring human being, a great general."

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Study Finds Fish In Diet Lessens Heart Disease

Los Angeles Times Service

LOS ANGELES — Dutch researchers have found that eating at least a pound of fish each week appears to reduce the risk of dying from heart disease.

The 20-year study, published in Thursday's New England Journal of Medicine, provides the strongest evidence to date that fish contain some substance that appears to reduce the risk of heart attacks.

The Dutch scientists, from the Institute of Social Medicine at the University of Leiden, began their study in 1960 with 872 men aged 40 to 59.

After excluding subjects with known heart disease and conducting detailed analyses of each man's weekly diet, the researchers followed their subjects for 20 years. By the study's end in 1980, 78 men had died from heart disease.

All the subjects had been divided into categories based on the amount of fish consumed. The average was about five ounces (142 grams) a week, but some consumed none and others more than a pound (453 grams) a week.

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U.S. Hospital Assailed on 24 Deaths Policy Allowed Handicapped Babies to Die, Groups Say

By Al Kamen
Washington Post Service

WASHINGTON — An Oklahoma City hospital has been accused of allowing two dozen severely handicapped infants to die without surgery under a policy that based treatment decisions in part on the children's mental and physical potential and the financial status of their parents.

Representatives of organizations for retarded and disabled people, joined by the American Civil Liberties Union, said Wednesday that they would file a class-action lawsuit by May 31 unless officials at the state-run Oklahoma Children's Memorial Hospital changed the policy.

Widespread public awareness of the policy grew from a 1983 magazine article published by the American Academy of Pediatrics, according to James Bopp Jr., head of the National Legal Center for the Medically Dependent and Disabled.

The article, written by the Oklahoma physicians involved, described a 1977-82 experiment involving 69 infants born with spina bifida, a condition where the spine is not closed at birth, and other birth defects.

Of the 69 babies, 36 were given extensive treatment and surgery and all lived. Another 24 babies were denied surgery and all died within about six months.

In a letter sent Wednesday to state and hospital officials, the groups cited a portion of the 1983 article in which the doctors said they had been "influenced by formulation of the quality of life. In this formula, QL = NE x (H + S)."

That is, they explained, the quality of life is determined by multiplying the infant's physical and mental condition by the anticipated "contribution from home and family" and "the contribution from society."

The letter said the formula means that the "hospital team factors into its life-and-death decisions" such political and fiscal matters as reduced government spending for medical care and "geographical and financial limitations."

"Depending on the team's assessment of the 'contributions' from home and society," the letter said, "one child may be recommended for life-saving surgery while another, with identical physical prognosis, may be recommended for death."

"Membership in a racial minority counts against having a high enough 'quality of life' under your criteria," it said. "A person who is black is less likely to be recommended for treatment than a person who is white."

Mr. Bopp said that a "substantial" number of the 24 infants who died were black or Indian, but he said he did not know how many.

Robert Fulton, director of the Oklahoma Department of Human Services, which oversees the hospital, denied any impropriety.

"The allegations that he behind this intended legal action are irresponsible, they are invalid," Mr. Fulton said Wednesday in a prepared statement. Those making the accusations "are quite insensitive to the families" who had children who suffered from spina bifida.

"These families are bearing terrific burdens by having children born with terrible birth defects," he added.

Christopher A. Hansen, an ACLU lawyer, said that the federal government "has decided it can't get involved in the case because of a court injunction" against the Department of Health and Human Services in a New York lawsuit.

That situation, and the ability of states to take action, may change

For Spain, a Diplomatic Role

Madrid Helps Bridge Gap Between U.S., Latin America

By Edward Schumacher

New York Times Service

MADRID — After Prime Minister Felipe Gonzalez saw President Ronald Reagan off at the airport Wednesday, he immediately began preparing for another visitor Saturday, President Daniel Ortega Sastre of Nicaragua.

Mr. Ortega's visit, announced while Mr. Reagan was here, officially was being called a refueling stop, although it was not part of his itinerary as he returns home from a trip to the Soviet Union and Eastern Europe.

He is to meet with Mr. Gonzalez in what Nicaraguan officials say

will be an attempt to exploit the differences between Mr. Gonzalez and Mr. Reagan over the U.S. trade embargo of Nicaragua.

How successful Mr. Ortega will be is unclear. Mr. Gonzalez also has reservations about the democratic intentions of the Sandinistas. But for Spaniards, the two visits are part of what they see as their larger role as a sometimes spokesman for their former colonies and a bridge between them and the industrial West.

"We look at Latin America differently than the United States does," a senior Spanish official said, "and we think we understand it better."

"Hispanidad" is what Spaniards call their shared feeling with Latin America, and it carries some resentment of the United States that dates back to the Spanish-American War.

Hispanidad crosses ideology. Leftist Spanish missionaries have been central to radical church movements in Latin America, and the rightist dictator Franco ignored the American trade embargo of Cuba and maintained good relations with Fidel Castro.

But it has been under Mr. Gonzalez that Spain once again has consciously turned activist in the region. The economic ties are minor, but the political and cultural ones are blossoming.

The government has a \$100-million Latin American aid program. It is developing a Hispanic communications satellite that is to be launched in 1992 as part of the 500th anniversary of Columbus's arrival in America. Its Institute for Ibero-American Cooperation in Madrid sponsors students and a great number of joint studies and cultural exchanges.

In the last two weeks alone, Spain has played host to a meeting

Prime Minister Gonzalez, shown greeting Fidel Castro in 1984, has increased Spain's political and cultural ties.

of 17 former Spanish, Portuguese and Latin American presidents and a separate meeting of about 100 directors of leading Spanish and Latin American newspapers and magazines.

The self-assumed role of spokesman has sometimes seemed paternalistic to Latin Americans. But Mr. Gonzalez and his foreign minister, Fernando Morán, have been careful to offer their availability and not their solutions.

The government itself is divided on how much to defend Latin interests. The Foreign Ministry argues for a harsher confrontation with the Reagan administration.

But Mr. Gonzalez runs his own foreign policy. After a meeting Tuesday with Mr. Reagan, the prime minister said he would tell Mr. Ortega that "there has to be an effort for peace and to preserve political pluralism."

Reagan's Stance on Missiles Contradicts Past U.S. Position

By George C. Wilson

Washington Post Service

WASHINGTON — President Ronald Reagan has contradicted a long-standing contention of the U.S. government by contending that a new mobile Soviet missile increases the danger that Moscow plans to strike first in a future war.

From President Kennedy, inaugurated in 1961, until Mr. Reagan's speech Wednesday in Strasbourg, France, the White House has contended that missiles that could survive a first strike and be fired only in retaliation stabilized the balance of terror.

The missiles to worry about most, it has been argued through the years, are those that stand still above ground, where they would have to be fired at the first sign of attack or be lost — "use them or lose them," in the jargon of nuclear strategists. They feared that the United States or the Soviet Union might fire nuclear missiles in response to a false alarm.

Both superpowers have spent huge amounts to try to protect their nuclear forces from a surprise attack. They have taken strategic missiles to sea in submarines, bur-

ied them under tons of concrete, and designed them to be mobile and thus hard to locate and hit.

Mr. Reagan said Wednesday that the Soviet Union "has chosen to build nuclear forces clearly

designed to strike first and thus disarm their adversary."

"The Soviet Union," he continued, "is now moving toward deployment of new, mobile, MIRVed missiles which have these capabilities plus the potential to avoid detection, monitoring or arms-control verification. In doing this, the Soviet Union is undermining stability and the basis for mutual deterrence."

The acronym MIRV means multiple independently targeted re-entry vehicle; it is a missile with more than one warhead each of which is aimed at a separate target.

The White House national security affairs adviser, Robert C. McFarlane, told reporters traveling with Mr. Reagan that the president was referring to the SSX-24 missile. The Defense Department said in its 1985 "Soviet Military Power" book

that the SSX-24 "will probably be silo-deployed at first, with initial deployment expected in 1986."

"Rail mobile deployment could follow by one to two years," the book said. Administration officials said Wednesday night that the weapons specialists on the National Security Council staff were taken by surprise when Mr. McFarlane and Mr. Reagan linked mobility with that strike intent.

Weapons experts said Wednesday that Soviet SSX-24s in railroad cars could achieve the accuracy needed to destroy U.S. missiles in a surprise strike. The cars would be halted at prepared spots along the railroad line from which targeting data had been calculated and the gravitational field, which affects the guidance system, analyzed, these specialists said.

However, Spurgeon Keeney Jr., executive director of the non-governmental Arms Control Association, said it was a contradiction to describe a mobile system as primarily "first-strike weapons" since the point of incurring the cost to achieve mobility is to survive an initial strike by the other side.



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Murdoch Undecided on Sale Of 2 U.S. Papers, Aide Says

The Associated Press

NEW YORK — Rupert Murdoch, who is buying six U.S. television stations, has no plans to seek exemption from federal regulations that could force him to sell his daily newspapers in New York and Chicago, a spokesman said.

During the last few days some "very serious inquiries have come in" about buying the Chicago Sun-Times and the New York Post, Howard J. Rubenstein, the spokesman, said Wednesday. He said there were separate inquiries about those newspapers as well as The Village Voice, a New York weekly, but he refused to be more specific.

On Monday, Mr. Murdoch and his business partner, Marvin Davis, agreed to buy Metromedia Inc.'s seven television stations for more than \$2 billion. The stations are in New York, Los Angeles, Chicago, Washington, Houston, Dallas and Boston.

Under the agreement, Mr. Murdoch and Mr. Davis would keep six of the stations and simultaneously sell the Boston station to Hearst Corp. for about \$450 million in cash.

Mr. Rubenstein said that Mr.

Murdoch still had not decided whether he would sell the Post or the Sun-Times to comply with a Federal Communications Commission rule that prohibits ownership of television stations and daily newspapers in the same markets.

He said that Mr. Murdoch "has no intention of applying for a waiver of the cross-ownership rules."

Mr. Rubenstein also said that Mr. Murdoch had "no intention of closing" the Post and the Sun-Times, as some reports had suggested was an alternative to their sale.

"The newspapers are valuable assets and he is quite proud of their contribution to the two cities," the spokesman said.

Mr. Murdoch also owns newspapers in Boston and San Antonio, Texas, and several magazines as well as media companies in Britain and Australia.

Mr. Rubenstein said Wednesday that lawyers were preparing Mr. Murdoch's application for U.S. citizenship, to comply with another federal requirement that limits the percentage holding a foreign investor may have in American broadcast companies.



FRENCH PRISON UNREST — Inmates on the roof of the Fresnes prison, south of Paris, after security police fired tear gas Thursday to break up a protest

against overcrowding. One of the 70 prisoners died after slipping as he threw a tile at police. At the Compiègne prison, north of Paris, six men briefly occupied the roof.

Deputies Protest Nouméa Violence

NOUMEA, New Caledonia — A constitutional crisis deepened Thursday in New Caledonia as moderate deputies representing the indigenous Kanak people walked out of the Territorial Assembly to protest racial violence Wednesday in which a Kanak youth was killed and 95 persons were injured.

A statement by all six members of the Kanak Socialist Liberation Party said they could no longer govern with the anti-independence Rally for Caledonia in the Republic Party, which they blamed for the street battles between European settlers and Kanaks in Nouméa, the capital. The Rally for Caledonia party is a rightist group dominated by people of European descent.

The clashes were the worst since militant Kanaks, who are indigenous Melanesians, began agitating for independence in November.

The withdrawal of Kanak deputies left the assembly in the hands of the Rally for Caledonia party and appeared to be a blow to the French government's efforts to secure a consensus on independence for the Pacific territory.

The Kanak deputies asserted that a race war was averted Wednesday only because the majority of the population had ignored the rightist party's call to arms and because the Kanaks had remained on the defensive.

Witnesses said that the violence broke out when settlers of European descent attacked Kanaks who had been holding a rally in defiance of an official ban. This account was confirmed by Edgard Pisani, the government's special envoy to New Caledonia.

Jacques Lafleur, the leader of the Rally for Caledonia party, rejected

Mr. Pisani's allegations of "deliberate aggression" by members of his party, and reaffirmed his determination to prevent the Kanaks from staging illegal demonstrations in Nouméa.

He threatened to mobilize more than 25,000 people if the Kanaks went ahead with a planned rally June 8 to protest the French government's decision to increase its military presence in the territory.

The resignations of Kanak deputies could complicate the government's plans to replace the assembly with a congress made up of four regional councils as an interim step toward a referendum on independence in 1987.

Both sides have rejected the government plan and threatened to boycott elections for the new councils in August.

Low Morale Cited in U.K. Secret Service

LONDON — Prime Minister Margaret Thatcher presented to Parliament on Thursday an account of drunkenness and low morale in Britain's security services.

Releasing an official report into events leading up to the imprisonment last year on spying charges of Michael Bettaney, who had been an officer in the MI5 counterintelligence service, Mrs. Thatcher cited several serious criticisms of the management of the security services.

Mr. Bettaney was arrested after attempting to pass a secret assessment of Soviet intelligence activity in Britain to the Soviet Embassy in London and to gain recruitment as an agent for the KGB security service. He was imprisoned in April last year for 23 years.

Mrs. Thatcher said a four-member security commission had concluded in its report that "there should have been, but was not, a very full investigation of Bettaney's lifestyle, which would probably have led to the removal" of his security clearance.

The commission's 34-page report portrayed Mr. Bettaney as a misfit who drank heavily and who had problems in his relationships with women. It said he adopted a Marxist ideology during his time as a counterintelligence officer, while remaining a devout Catholic.

Mr. Bettaney acknowledged he was drinking the equivalent of a bottle of liquor a day, the report said. It added that he was frequently seen drunk in public and overheard saying such things as: "I'm working for the wrong side. I'm sure the East Germans would look after me better."

The report said that heavy drinking was widespread in the security forces and that its risks had been underestimated. Staff members were recommended to report excessive drinking by colleagues.

It also acknowledged low morale among agents by noting that the commissioners had received highly critical reports of the internal organization and management of the security service.

Mrs. Thatcher said the report's recommendations for tightening security clearance procedures were being put into effect.

Albania Sends Italy Message

ROME — Prime Minister Bettino Craxi of Italy has received an official communication from Albania conveying "expressions of friendship," Mr. Craxi's office announced Wednesday.

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Reagan Supports a Freeze On Military, Social Security

(Continued from Page 1)

The Associated Press that to earn the support of farm-state legislators for its budget package, the Reagan administration had agreed to restore \$1.14 billion to the agriculture budget over the next three years and institute a new export subsidy.

The administration agreed during meetings Wednesday to boost by about \$300 million its spending for soil and water conservation programs and to restore the \$600 million it previously had proposed to cut from U.S. crop insurance, the sources said.

In addition, the administration offered to provide \$240 million to help bring down interest rates for the most financially strapped farmers.

David A. Stockman, director of the White House's Office of Management and Budget, also agreed on behalf of the president to offer

farmers an additional \$1 billion in guaranteed operating loans next year, in addition to the \$1 billion already specified in a budget compromise, the sources said.

Mr. Stockman also agreed to carry out a \$1-billion program that would use surplus government-owned commodities as bonuses to entice foreign countries to buy U.S. farm products.

On Wednesday, the Senate defeated two Democratic alternate programs to keep many of the programs Mr. Reagan wants cut and pay for them by increasing taxes and giving the Pentagon less money than sought by the president.

The Democratic losses Wednesday were expected. But the sponsors pushed the plans hoping that if all the other budget packages eventually fail, some Democratic ideas will have to be incorporated into a final compromise to reduce the deficit, estimated at \$200 billion.

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Herald Tribune

Published With The New York Times and The Washington Post

Anti-Sandinist Sanctions

Jimmy Carter tried to accommodate the Nicaraguan revolution, and the Sandinists moved left toward tighter internal control, sponsorship of a guerrilla "final offensive" in El Salvador, closer links with fellow Marxists in Havana and Moscow and greater tension with Washington. Ronald Reagan ceased accommodation and applied pressure — and the Sandinists moved farther left. The record does not justify confidence that anything the United States does will soften the Sandinists' determination to consolidate power. Yet serious people in the hemisphere continue to try.

We say this by way of addressing the economic sanctions that President Reagan announced on May 1. There was broad agreement — from liberals more in anger, and conservatives more in sorrow — that ending direct trade and cutting air and sea links is too little, too late. Quickly the conventional wisdom became that if these measures make any mark, they will add to the people's misery, hurt good guys in the private sector and drive the Sandinists into the Kremlin's arms.

Had Daniel Ortega, Saverio not provoked and embarrassed the U.S. Congress by visiting Moscow right after Congress said no to the "contras," the reaction doubtless would have been even sharper. All this despite the fact that some of those who had-mouthed sanctions had opposed military intervention a week earlier on grounds that lesser remedies, such as trade restrictions, should be tested first.

In fact, what the objections amount to is what all of us should know by now. The Sandinists are a resourceful crew. In the prevailing circumstances, it is not easy for Americans or anyone else to get at them. A soft policy has been tried, and a hard policy, and assorted blends, and nothing worked.

Still there remains reason for applying pressure that, while of uncertain effect, at least expresses the distrust and wariness that Americans of different persuasions feel toward the Sandinists. It is not ignoble or intrusive or bullying for the United States to take a neighbor's interest in wanting to see countries in the Western Hemisphere move toward democracy

and respect for neighbors. It is legitimate, necessary and right. The Sandinists in coming to power sought and received the hemisphere's support by promising democracy and respect for neighbors. This is the case for sanctions.

That said, we must add that President Reagan has gone about imposing them in a slapdash way. They could have been introduced as part of a careful strategy worked out with Congress and with the Contadora democracies and the Europeans. One version of such a strategy has been suggested by Senators Nunn, Johnston, Bentsen and Boren. Instead, Washington is acting alone, without commitments from either Latins or Europeans and, worse, without a clear and agreed statement of what the sanctions are meant to achieve.

United States policy should be trying to induce the Sandinists to trim the activities and connections that trouble Nicaragua's neighbors and to move toward a political opening. But if, as seems evident, the Reagan administration is still striving to remove the Sandinists, then the new sanctions are going to be widely taken not as a turn toward a more sensible and sustainable Nicaragua policy but as a faint in a presidential battle with Congress over relaunching the "contras."

Then there is South Africa. Intellectually it is not hard to grasp the proposition that sanctions make sense in some circumstances and not in others. Yes, we would say, in Nicaragua, where such a lever, properly applied, could help mobilize the pressures supported by many anxious people in the hemisphere. No in South Africa, where sanctions might undercut internal forces pressing strongly for change.

As a practical matter, however, Mr. Reagan may already have forfeited the chance to have either case considered on its merits. On the Nicaraguan sanctions he acted alone and in haste when at least a brief pause and some consultation were plainly in order. On South African sanctions, which he opposes, the political tide was probably already going against him and has been given new impetus now. In both places, his policy is in trouble.

—THE WASHINGTON POST.

About the Meltdown Risk

What are the chances of a meltdown at one of America's 100-odd nuclear reactors in the next 20 years? Nearly 50-50, or 45 percent, is the surprising figure that the Nuclear Regulatory Commission recently gave Congress.

How can the commission also declare that it finds the risk acceptable? And are the odds of catastrophe really so bad?

The short answer is that the commission's estimate is a conservatively biased shot in the dark. Meltdowns are probably less likely than the raw numbers suggest, but there is still no room for nuclear utilities to relax.

For an individual reactor, in the commission's latest estimate, the odds of severe core damage are 3 in 10,000 per year. For 100 reactors over 20 years, that accumulates to a 45-percent risk of a meltdown. A severe core melt would surely endanger the health of the reactor's owner, which could see a \$2-billion asset abruptly converted into a \$2-billion liability. However, to harm the public, radiation must escape from the site. That is less likely because even after a core melt most of the radioactivity is likely to be contained.

The risk-assessment technique depends on identifying chains of accidents that could lead to a core melt. But the uncertainties accumulate down the chain. That means that the technique is a quite useful guide to the probability of accidents early in a chain, but close to meaningless for the bottom-line disaster of a core melt. Also, as the commission notes, risk assessments are biased toward the pessimistic. Many more early signs of accident would have been reported if the odds of meltdown were worse than the assessments suggest.

Up to a point, the commission's professed satisfaction with the status quo is understandable. The perceived risks of a meltdown have edged slightly higher in the last decade, but the perceived risks of containment failure and radiation escape are now being sharply reduced. Far less radioactivity escaped from the damaged Three Mile Island reactor than was predicted for such an accident, largely because the radioactive material turned liquid or solid instead of leaking as a gas. But even if meltdown should turn out to be a smaller public threat than assumed, the risk to the industry seems uncomfortably high. A second accident like Three Mile Island's could do terminal damage to the industry's public standing.

The nuclear industry takes the predictions of disaster calmly because it regards risk assessment as a useful but self-invalidating tool. By acting to forestall the most likely accident chains, the utilities can reduce the predicted risk. The Nuclear Regulatory Commission, too, would like to reduce the chances of a meltdown. It says 3 chances in 10,000 per year is acceptably low, but it is considering a safety goal that aims for a risk of 1 in 10,000.

One way to attain that goal would be for all plants to conduct their own risk assessments to identify the most likely paths to a meltdown. At present only plants under construction are required to undertake such an analysis. Another way would be for the commission to focus on the few riskiest plants that drag up the industry average. The public may already be safe enough, but nuclear power is too valuable to let its suppliers live dangerously.

—THE NEW YORK TIMES.

Other Opinion

Reagan's Ideas: Arms Control?

Four-fifths of Mr. Reagan's address to the European Parliament was avowedly ceremonial, and even in total it did not deserve the walkout and the strong silence on the benches of the left. The purpose of his reception was to seal the defeat of fascism in that and in the postwar reconstruction and defense of Western Europe, the help of the United States was and has been crucial. When Mr. Reagan turned to the incipient conflict of today, however, a conspicuous hole appeared in his eloquence. He has lost interest, if he ever had an interest, in arms control as commonly understood, and seeks only a live-and-let-live arrangement with the Soviet Union until such time as technology, as applied to "star wars," provides a new fix for the world's safety.

The four ideas he put to the Russians have either been publicly aired before or offered through diplomatic channels. They are designed to approach a system of crisis management. Mr. Reagan has cast around for some means of breaking the deadlock or ending the spiral. That the chosen method is liable to make relations more difficult, not less, and to eat away resources and ingenuity which could be much better applied, is everyone's profound misfortune. The old man believes he is doing something for peace, and that's the tragedy.

—The Guardian (London).

FROM OUR MAY 10 PAGES, 75 AND 50 YEARS AGO

1910: George V Is Proclaimed King
LONDON — With all the ancient ceremony that has been observed on such occasions for centuries past, George V was proclaimed [on May 9] King of Great Britain and Ireland and of the Dominions beyond the Seas, Defender of the Faith and Emperor of India, not in London only but in all parts of the Kingdom. In London, in particular, the ceremony was marked with imposing scenes. Superb, in its imposing pomp, was the ceremony at St. James' Palace. No less imposing, and perhaps more interesting by reason of the manner of it, was the quaint ceremonial at the entrance to the City where the old Temple Bar used to stand. From the steps of the Royal Exchange the proclamation was read in the presence of the Lord Mayor of London, surrounded by City officials in their robes and chains of state.

1935: Hitler Shuns an Eastern Pact
NEW YORK — "I would rather hang myself than sign an Eastern pact of mutual assistance," Chancellor Hitler says in an interview in the "Literary Digest" [on May 9]. "We will sign non-aggression pacts with all the world, provided we are treated fairly," the Führer said. "We will not sign a multilateral pact of mutual assistance in the East, for in no circumstances would Germans fight for Bolshevism. Our nation simply would not march. We are ready and always have been ready to place our signature to any document whose full requirements can be foreseen and whose clear outlook is toward peace." Germany, Herr Hitler added, had renounced waging war over territorial questions. War, he declared, would mean the ruin of the capitals of Europe from the air within an hour of its breaking out.

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Put Central America Back in Perspective

By Frank Del Olmo

LOS ANGELES — I once heard a former U.S. ambassador to Brazil sum up how President Reagan's obsession with Nicaragua has distorted the U.S. perception of Latin America: "You could take Central America — all seven countries, their total populations and their combined economies — drop them into the northeast of Brazil and not even make a difference."

He was exaggerating. While Central America covers less than one-fifth of the area covered by the nine states of Brazil's northeast, its population of 20 million is almost half the number of people who live there. All the same, the former ambassador's point — that Brazil is as significant to the United States as Central America, and deserves just as much attention — is valid.

That never hit me more clearly than when I returned to my office last week after a trip through Brazil, Argentina and Peru, and found a stack of mail about Nicaragua waiting for me. The material had built up before the House of Representatives' vote rejecting Mr. Reagan's budget request for \$14 million to help anti-Sandinist rebels continue their war to overthrow the Nicaraguan government, and before Mr. Reagan's imposition of trade sanctions against that country. It is an important issue, but I find it ironic that the United States is spending so much time debating the future of a small nation of 3 million people while countries much bigger and in the long run far more important are struggling to sustain fragile democratic governments.

Last month Peru held one of the most significant presidential elections in its long history. The voting was remarkably peaceful, considering the economic troubles and political terrorism of the last two years. The election was a tribute to the faith that most Peruvians still have in democracy.

The elections elevated a new and potentially interesting individual to the international scene: Alan Garcia, 35, a congressman who was the candidate of the leftist and fiercely nationalistic APRA party. When Mr. Garcia is inaugurated in July, Mr. Reagan will have to deal with another aggressive young Latin leader who is not all that different from some Sandinistas.

Yet Mr. Reagan must hope that Mr. Garcia's government succeeds, because if it does not a guerrilla war that is being waged deep in the Andes by a mysterious and violent Maoist group, Sendero Luminoso, could spread and give Peru troubles that would make El Salvador's bloodshed look mild by comparison.

Argentina's new civilian president, Raúl Alfonsín, faces a similar do-or-die challenge. He took over from a discredited military govern-

ment just over a year ago and is still struggling with the economic shambles it left behind.

By putting nine members of the juntas that preceded him on trial for human rights violations, he has the military on the defensive, but his real problem is with Argentina's middle classes. The Argentines have been spoiled by their country's abundance, and have even grown accustomed to inflation-fed prosperity since the wartime boom of the 1940s. Many political analysts fear that they are unwilling to accept the austerity that Mr. Alfonsín must impose if the country is to pay its \$35-billion foreign debt. If he pushes too hard, Argentines could turn away from him, tempting the military to oust him.

Brazil faces an even bigger foreign debt (more than \$100 billion), and must replace a beloved political leader, Tancredio Neves, who died before he could take office after 20 years of military rule. For now, the nation's leaders have rallied around Mr. Neves's vice president, José Sarney, who has pledged to retain the late leader's appointees and carry out his campaign promises. But even the most optimistic Brazilians expect

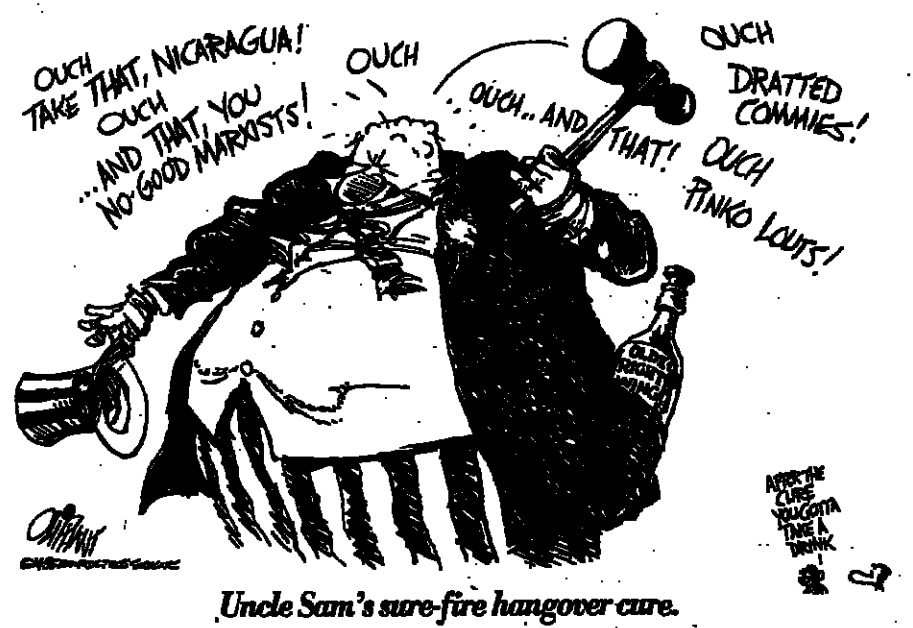
that consensus to break down once the official period of mourning is over.

Then political sparring will begin to see how long Mr. Sarney remains in office. Will he stay for four years, while Congress rewrites the military regime's old constitution? Or will the many political factions that want direct presidential elections by 1986 have their way? The danger is that Brazil's military does not want a direct vote. It fears that a popularly elected leader might have the clout to punish the military as Mr. Alfonsín is punishing his generals and admirals.

An important period has begun in which all these countries will require close attention. Can their weak democratic governments remain viable? Can they pay off burdensome foreign debts and keep their middle and working classes content? Can they keep their military men under civilian control? Most important of all, can they develop economically so that the living standards of their many poor people can improve?

Those questions may not be as immediate as the fate of the "contras" in Nicaragua, but they are every bit as important to the Western Hemisphere's future stability — even if Mr. Reagan has not realized it yet.

Los Angeles Times.



Uncle Sam's sure-fire hangover cure.

For a More Realistic and More European Germany

By William Pfaff

PARIS — It is time to count up the damage done at the Bonn summit.

It chiefly was damage to German-French and to German-American relations, but beyond that there was damage to the West Germans' sense of solidarity with their allies.

The French were angered that Chancellor Kohl, grateful for President Reagan's Bitburg cemetery visit, gave him whatever he asked; indeed, that he scarcely waited for Mr. Reagan to ask. This President Mitterrand blocked agreement on world trade talks. But the French also understand perfectly well why Mr. Kohl did what he did, and that Bonn will turn now to patching things up with Paris. This much is less than serious.

German-American relations seem, superficially, better than ever, since Mr. Reagan did make his pilgrimage to the Bitburg cemetery. But a new West German respect for Mr. Reagan is one thing. There is considerable bitterness as well that for Mr. Reagan to go to Bitburg required a considerable act of political courage. There is resentment at the scale of American popular opposition to what was, after all, meant to be a decent gesture of friendship between two nations that have been allies for 30 years.

There is bitterness that Americans, and others, on the one hand refuse to ignore Germany's past but depend on West Germany's military and economic contribution to the alliance, and, as many Germans see it, expect Germany to supply the battleground for a future Russian-American war. The West German "Green" movement has fed upon this sense of victimization, offering a view of the contemporary world in which not only the German people but Germany's lands and forests are jeopardized by foreign forces beyond control.

The sentiment of victimization clearly exists on the right as well. Among the least happy things that have happened during this controversy was the argument made by some Germans which implied that to have fought against the Russian army during World War II was somehow to have provided a service to Western civilization that present-day Americans ought to acknowledge.

The Bundestag has in recent days passed the so-called "Auschwitz Lie" legislation, making it a crime to deny that the death camps existed, or to minimize the number of their victims. But seeming to equate the death camps with those nearly 3 million Germans who died as a consequence of having been driven out of the east by the Russians at the war's end.

This seems to ignore the heavy fact that there would have been any need to fight a Russian invasion of Central Europe, nor would there have been any Germans expelled from their homes in the east, had Germany not attacked the Soviet Union in 1941. Russia today dominates the East European nations, occupies Europe to the Elbe, partitions Germany, has annexed parts of prewar Poland, East Prussia, and Rutenia — and the Cold War exists, with U.S. troops and nuclear weapons in West Germany today — all as a direct result of Germany's attack upon a Soviet Russia which at the time was doing its best to appease Hitler.

The geopolitical catastrophe that ensued, like the crime of the death camps, certainly is not the responsibility of Germans of the present generation. Germans, however, like the rest of us, have to live with the consequences, making the best of what was done by another generation.

The reconciliation of old enemies does not annul historical and geopolitical realities. This is an essential point. To say that Germany must bear the responsibility for its own and Europe's present division is to hold present-day Germans to blame for the sins of their fathers. It is to say something different. Delicta maiorum immittitur laes, in Horace's

line: "Through guiltless, you must expiate your fathers' sins."

So must we all. A ceremony in a cemetery is irrelevant to this.

Very bad things will come of this affair if the West German sense of estrangement from the allies is fueled. The solid, essential accomplishment of the postwar years has been West Germany's moral as well as economic and political integration into Western Europe. The enlarged European Community, however, no longer provides its members a responsive or very rewarding political instrument. Because America is the superpower, and the guarantor of West Germany, Germans have given relations with Washington priority

over those with Paris, The Hague, Brussels, Rome and London. When Americans disappoint them, as in the Bitburg case, the shock is the greater for the investment that has been made in the American tie.

Something constructive could result if Germans were influenced to take a more detached view of their strategic dependence on Washington, and were more seriously to consider the possibilities for improving security cooperation with the principal West European allies. The West German reaction to new initiatives in military cooperation taken by the West European Union ministers in April, and to the French "Eureka" proposals for more ambitious and

better funded European research in military-related science and technology, have met a guarded response in Bonn because of German sensitivity to what Washington thinks.

This is a misjudgment. Indeed, Americans as well as Germans need better to understand that it is a basic interest of the United States, as well as of Western Europe, that Europe steadily improve its ability to assure its own security — that the "European pillar" of the Western alliance be as solid as possible, capable of standing alone if necessary.

That way lies a trans-Atlantic relationship of confidence and mutual respect, which would have no need for gratuitous displays of the kind seen, and suffered, at Bitburg.

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Reagan Misconstrues a Terrible Century

By Anthony Lewis

BOSTON — The essence of Ronald Reagan was exposed at Bitburg. Confronted by the most profound questions of man's nature and responsibility, he responded with narrow ideology and warped history.

"I am a Jew in a world still threatened by anti-Semitism," Mr. Reagan said after visiting the German military cemetery. "I am an Afghan, and I am a prisoner of the Gulag. I am a refugee in a crowded boat foundering off the coast of Vietnam. I am a Laotian, a Cambodian, a Cuban and a Miskito Indian in Nicaragua. I, too, am a potential victim of totalitarianism." So freedom-loving people around the world must say today.

That was brilliantly effective rhetoric. But think about the message. Every victim Mr. Reagan mentioned, after the reference to anti-Semitism, was a victim of communism. He was saying that the serious violations of human rights — the only ones worth mentioning in the shadow of the Holocaust — are all the work of Communist governments.

Not a thought there for those who have suffered and died in General Pinochet's Chile, for the Bahá'í and other victims of religious terror in Iran, for the South Africans who live under institutionalized racial tyranny. Not a word of memory for the Armenians who died at the hands of Turks in this century's first genocide. The point is not to play down the existence of cruelty in Communist regimes. The point is to recognize that inhumanity of appalling kinds may appear in all kinds of societies

and systems — and must be opposed regardless of ideology.

That is one of the most obvious lessons of the history of the Nazi period. There were people who argued that we should not object too strongly to Hitler's racial ideas because after all he was anti-Communist. Some political excuse can always be found for closing one's eyes to the horror of an Idi Amin, of the Khmer Rouge, of the tortures of the generals' regime in Argentina, of Stalin.

The concept of human rights must be universal to have meaning. If we have not learned that, we have learned nothing from what Hannah Arendt called this terrible century. But Ronald Reagan, speaking in the shadow of its most terrible crime against humanity, saw an occasion to make an anti-Communist point.

Along with the zealot's one-eyed view of human rights, Mr. Reagan offered an extraordinary version of the great crime that left its imprint all around him: Nazism. In his edited history, Nazi Germany was not a system, not a terrifying mass phenomenon, but the work of one man. "One man's totalitarian dictatorship" was Mr. Reagan's phrase for it. But Hitler was not alone. Millions voted for him, mouthed his ideas, hated and killed with him. Seemingly ordinary men pushed Jews into gas chambers. And there are still advocates of fascism today.

In the Reagan memory, as dis-

played at Bitburg, there were mostly good Germans: teen-agers drafted into the army, soldiers to whom Nazism meant no more than a short life, the mother and son in the Reader's Digest story told by Mr. Reagan who welcomed both American and German soldiers to their cottage in the woods on Christmas Day 1944.

"We do not believe in collective guilt," the president said, and he was right. But neither can we rightly close our minds to the terrible knowledge that millions followed Hitler. It is by facing that fact that successive generations of West German political leaders have done so much to create a healthy Federal Republic. A perfect symbol of Mr. Reagan's attitude was his refusal to meet one of the bravest of those leaders, an early anti-Nazi, former Chancellor Willy Brandt.

In his speech at the U.S. base in Bitburg, Mr. Reagan said he had received many letters about his planned visit to the military cemetery: some supportive, some concerned, some opposed. He described only one, from a young Jewish woman who recently had had her bat mitzvah. "She urged me," Mr. Reagan said, "to lay the wreath at Bitburg in honor of the future of Germany, and that is what we have done."

The young woman was identified by the White House as Beth Flom of Marlboro Township, New Jersey. She told The Associated Press that in a message to the president on April 21 she made it clear that she disapproved of his visit to Bitburg.

The New York Times.

LETTERS TO THE EDITOR

Seeing the Difference

Congratulations for the fine editorial on President Reagan's visit to Bitburg ["Bitburg: Time to Move On," May 3]. It is obvious that the president was misled — not only by the no doubt well meaning Chancellor Kohl but also, far more seriously, by his own uninformed staff. The president would be better served, and the American people with him, if he would rely more on the advice of America's many competent Foreign Service officers abroad and less on his amateur White House cohort.

Their inability to distinguish between Bitburg and Bergen-Belsen has harmed the United States around the world, as well as U.S.-German relations. It will take a long time to heal the freshly opened wounds and to

show that Americans can do distinguish between the Nazis of 40 years ago and the Germans of today.

DANIEL BOYER, Paris.

The uproar accompanying President Reagan's visit to a German military cemetery is a sad indictment of mankind's inability to forgive past transgressions. That the SS were responsible for genocide will never be forgotten, but that is not the point here. Mr. Reagan's gesture represents a genuine attempt to heal old wounds and strengthen the Western alliance, and for this I salute him.

HOWARD RICHARDS, Singapore.

IBM's SNA, ISO's OSI

Regarding "Companies, Governments Focus on International Standards" (Office Automation, April 15): This report characterizes the International Standards Organization's Open Systems Interconnection (OSI) concept as a "challenger" and "counterbalance" to IBM's Systems Network Architecture (SNA). This is an erroneous perception. SNA is IBM's proprietary network

architecture for controlling the communications of data within a single system of computers and peripheral devices. Other manufacturers have their own proprietary network architectures. In addition, IBM publishes detailed information about SNA that allows these manufacturers to design their products so they can be attached to SNA networks.

OSI is a non-proprietary architecture being developed by the International Standards Organization to control the communication of data between systems of different architectures. It is complementary to SNA and other proprietary architectures.

IBM has done as much as any company in the industry to support OSI, since its inception, as a set of internationally accepted standards for communications between systems. We participate in a number of national and international OSI standards development organizations, have products supporting various OSI-related standards, and we have software under development in Europe that will provide support for the most recently defined OSI functions.

K.V. CASSANI, President Director General, IBM Europe, Paris.

Isolationist Japanese? Look Again

By Daniel Burshtein

NEW YORK — Blaming the Japanese for the trade deficit may make domestic political sense in the United States but it makes little logical sense. Apart from the broadsheet over the U.S.-Japanese trade deficit, Japan's increased prosperity and maturity as a world power are by themselves making it more a part of the international mainstream, more cosmopolitan, more open to trade.

Consider the teen-agers who spend Sunday afternoon in Tokyo's Yoyogi Park. They gather by the hundreds and dance wildly to the times of American rock music. For the hippest of the hip, only American Camel cigarettes will do — despite a law that forbids advertising American cigarettes in Japanese. Real American Levi jeans are de rigueur, and social standing is measured by the size of

An open Japan would also be open to products from Europe, China and other countries.

Elvis Presley tape collections. This is hardly a picture of a country closed to American products.

From Harlequin romance novels to IBM miniframes, from Ralph Lauren to Kentucky Fried Chicken, Japan actually buys more from the United States than any other country except Canada. This fact alone should give Americans pause before they are swept up in Japan-bashing.

True, Japan's markets are fettered by regulation and culture in ways that run against the grain of free trade. But even if the Japanese are nothing but American stalks and oranges, smoked nothing but American cigarettes, equipped their armed forces with nothing but American weapons and agreed to refrain from exporting a single car to America, the latter might still face a trade deficit as high as \$20 billion with Japan.

Even if all regulations were lifted, there is no guarantee that American goods would flood the Japanese market. Japan would also be open to products from Europe, China and other Asian countries. In those circumstances it is far from certain that American products would be as competitive as some people on Capitol Hill imagine.

Then there is the bigger trade picture. Japan accounts for only one-third of the worldwide American trade deficit. U.S. deficits with the European Community and with "new Japan" such as South Korea and Singapore have also grown markedly — in some cases even faster than the imbalance with Japan. With its combination of prosperity and protectionism, just happens to be the most convenient scapegoat.

In the meantime, Americans tend to forget the very real benefit that their economy derives from trade with Japan. Consider the high-tech revolution. It could never have happened so rapidly or dominantly without the sharp decline in the price of silicon chips and other computer components — a decline spurred by the Japanese electronic industry, with its higher productivity, lower wages and aggressive competition with American companies.

True, a flood of Japanese imports have cost some American jobs. But the long-term social and economic benefit to America — the creation of a large, new high-tech sector at a very low cost — is immense.

Or look more carefully at the \$37-billion U.S. trade deficit with Japan last year, expected to grow to nearly \$50 billion this year. The numbers sound frightening — until one realizes that all those surplus dollars and more are pumped back into the American economy by Japanese investment of it into U.S. Treasury bills. This supply of investment dollars has helped keep U.S. interest rates lower than they might otherwise have been and allowed the American economy to continue growing without significant inflation.

Of course, Americans need to improve their exporting capabilities if they are to remain competitive in an increasingly globalized marketplace. But Japan-bashing will hardly help. The main concession produced by the "pressure" placed on Japan by the embarrassing spectacle of Prime Minister Yasuhiro Nakasone imploring his people to buy more American fashions sets and tennis rackets — as if America's was a colonial economy whose handicrafts could help raise cash at a charity affair.

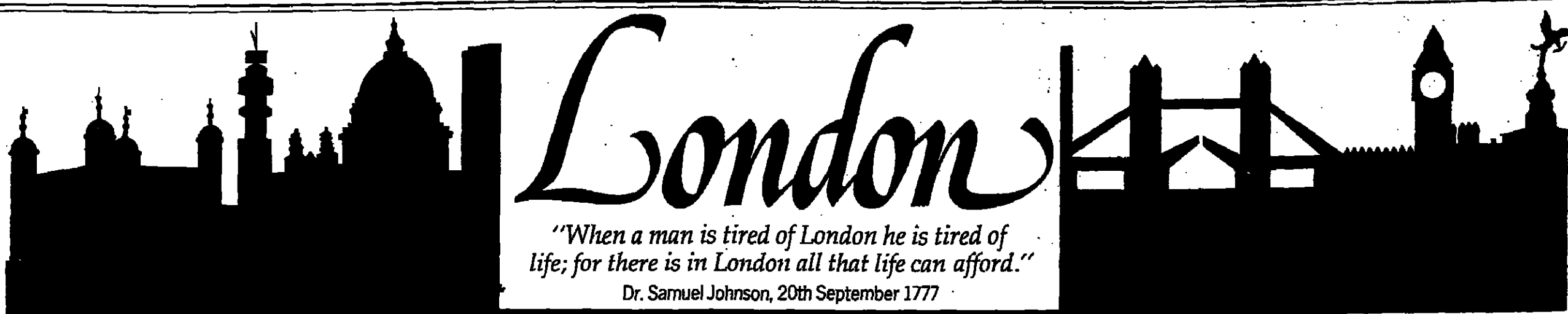
To trade effectively, innovative action is needed from Washington, not chastity from Tokyo. For example, the U.S. government should be taking measures to compete with the Japanese government's considerable support for the development of fifth-generation computers. Washington should be bolstering private-sector efforts to learn the exporting game.

This may at first seem to run counter to U.S. economic traditions, but it is crucial in a world of "new Japan" — all of whose governments are being urged to organize and finance export-driven economies.

The teen-agers in Yoyogi Park are growing up. As the generation matures, Japanese isolation and conformity will inevitably give way to greater openness and diversity.

But no matter how open Japan becomes, the ability to sell American goods there — and in the rest of the world, for that matter — will not be determined by the concessions extracted. It will depend on the products America has chosen to develop and at what price, and on how shrewdly Americans have become in mastering the global export business.

The writer, a frequent commentator on business and technology, contributed this to The New York Times.



Take a Stroll down Cloth Fair, or a walk through Plantagenet Place, or even Carbuncle Passage

by Moss Murray

Paris is a city to be visited, and Rome a capital to be seen. But London is a metropolis to be explored. Its narrow streets, hidden mews, ancient alleys, are not only a continual source of delight, but scenes of never ending surprises. Where else can you stroll down Cloth Fair, Maiden Lane, Axe Court, Baker Street, Beggars Hill, Carbuncle Passage Way or Plantagenet Place.

What makes London so delightful is that half the fun is free. Top of the daily summertime bill is the changing of the guard at Buckingham Palace performed by the Queen's Guard.

A regimental band leads the St James's Palace detachment which carries the Colour. At 11.30 each morning in summer, and every other day in winter, the new guard, consisting of 3 officers and 40 other ranks, marches into the forecourt of Buckingham Palace.

The Queen's Guard is traditionally formed by one of the five regiments of the Foot Guards. Each unit can be identified by the plume on their bearskins, the position of

music buttons and the uniform's epaulettes. Only the Scots Guards have no plume.

At Horse Guards Parade in Whitehall the guard is formed by mounted units of the Household Cavalry - the Life Guards and the Blues and Royals. When the Queen is at Buckingham Palace, an officer, one corporal and 16 troopers, plus a trumpeter on a grey horse, parade. The event takes place at 11.00 on weekdays and at 10.00 on Sunday.

Get there early. It is one of the moments when a front row position can provide a memory to last a lifetime. The soldiers will be wearing distinctive uniforms that have not changed since the 17th century. It is worth looking closely, if you can, at the superbly embroidered heraldic banners, known as Colours.

Like the eagles of the Roman legions, they are dedicated before being handed over to the regiment. They represent battle honours won in past wars when they were also a rallying point for men engaging the enemy.

Trooping the Colour

However impressive these cavalades of marching men may be, the greatest, best and biggest of them all is Trooping the Colour which takes place on the official birthday of the Sovereign in mid-June. Tickets are available to members of the public to watch this two hour ceremony whose origins lie in the early 18th century when the Colour was marched, or 'trooped' before the regiment so that every soldier would learn to recognise his own Colour in the smoke of battle.

This is an occasion when visitors to London can see half a dozen members of the Royal Family in a single morning. They join the Queen to watch the colourful pageantry of marching, and counter marching and parade discipline, from specially reserved windows. For those unable to get tickets for the main event, there is a dress rehearsal the previous Saturday which is just as glamorous and spectacular as the real thing. Only the Sovereign is missing.

Ceremony of the Keys

Another ceremonial occasion that is worth watching, if you can, is the oldest of them all. The 700 year old ritual of the Ceremony of the Keys is performed at the Tower of London when the Chief Warden, escorted by Yeoman Warders in their gold and silver uniforms that date back to the days of the first Queen Elizabeth, goes through the Tower each night ceremoniously locking the gates.

When he has done so he hands the keys to the Governor of the Tower. After this,

nobody can enter the Tower until daylight - not even the Queen.

Traditionally British

Before going to the Tower for the Ceremony of the Keys, why not find yourself a restaurant that is typically English, too? Where better

which used to be a Turkish bath, or Pomegranates, close to the river Thames.

The food served at the former restaurant is unique, not overpriced and, for an evening meal in delightful comfort, hard to beat. Start, as I did recently, with quails egg salad escorted by avocado and bacon. Your helping will be generous, but not so large as to spoil your enjoyment of the main course. For this my choice was lamb's kidneys shallow fried and served with a delicate peppercorn sauce that was subtle, almost sublime.

As an alternative, the mix of seabass and wild trout were balanced by a champagne sauce and garnished with strips of tomato and avocado. Portions are more than sufficient to satisfy the hungriest appetites.

Or go to Pomegranates. This is at 92 Grosvenor Road, by the Thames, and is a fav-

oury and good eating. There is also excellent shopping whether for the world's best made suits, exclusive woollens, finest handmade shoes or the most extensive collections of antique silver.

Nowhere is the art of the modern craftsman so apparent as in the New Bond Street salon of Van Cleef & Arpels at No 153, almost at the junction with Conduit Street. It has been called the most beautiful jewellery shop in the world. It is a claim few who visit the showroom will deny.

The manager, Christian Strang, told me: "The emphasis is on Paris middle class and we have been successful in encouraging women, as well as men, to come to the salon to buy jewellery and watches for themselves - as they do in France."

Within 24 hours the most expensive items from the Van Cleef & Arpels collections can be flown to London for showing to customers, while regular pieces on display in Bond Street include cufflinks, watches and jewellery in a price range from around £300 to £30,000, rising to £300,000 for some of the most exquisite and exclusive solitaire rings, decorative clasps and brooches, as well as necklaces and earrings that are always a joy to see.

The jewellery you buy at Van Cleef & Arpels does not go out of fashion. Every piece is individually designed in what they call 'a constantly renewed classicism that, unlike jewellery in wildly imaginative styles, never loses its appeal.'

Antique Silver

Another salon not to be missed by Marks Antiques in Curzon Street where they boast, with some justification, one of the finest displays of antique silver anywhere in London.

Prices are reasonable and sensible. Equally important, the layman, and the browser, are as welcome as the serious shopper and collector. It is a family business and the staff treat everyone who comes like one of the family.

Last time I popped in to see what was new on the crowded shelves, I was offered a cup of coffee and the opportunity to sit down and sip it at leisure while owner, Anthony Marks, regaled me with tales of the many lords and titled ladies who either come to him seeking to extend their knowledge, or to ask him to find a buyer for items they no longer need.

And even if you, personally, were not born with a silver spoon in your mouth, at Marks Antiques you will certainly find a set of six to remedy this defect... and at every price level.

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International cabaret and speciality acts feature in the lavish programme planned by the club's dynamic membership director, Abi King - known affectionately as 'King of Clubs'.

Curzons is open nightly except Sunday from 9.00pm to 3.00am. Entrance is strictly limited to members only and their guests. The £150 annual subscription also provides membership of 'The Cafe', the elegant brasserie-style restaurant overlooking Hyde Park on the same premises. It is open from 10.30am to 3.00am every day except Sunday, and offers an international menu and extensive wine list, with a pianist in the evening.

With two such attractive venues at the same prestigious address, 45 Park Lane promises to become London's most fashionable rendezvous.

For details of membership and private hire of the club, please contact Abi King, Membership Director, Curzons, 45 Park Lane, London W1Y 3LD. Telephone 01-492 6666.

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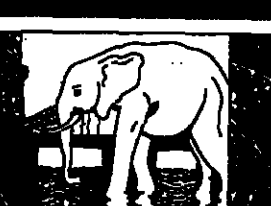
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This is the second in a series of advertising features on London which will be appearing on alternate Fridays. We shall endeavour to cover all aspects of the busy London scene with particular emphasis on the facilities which have special appeal for visitors to Britain's capital. For full details regarding subject matter of future London sections and advertising rates, please contact:
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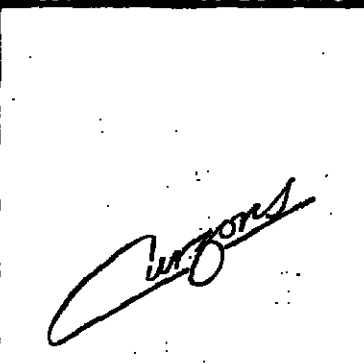
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Example of a beautiful Elkhington parcel gilt 'SATYR' suite, designed by Leonard Morel Ladeuil.

than Greens, perhaps the finest restaurant in London's West End which unashamedly believes in serving traditionally British food. Here, according to the *Good Food Guide* you can 'eat the best oysters in town'.

But if oysters are not your favourite food, do not despair. You can sip champagne, or an excellent Sancerre, in the bar before going into the restaurant where chef, Beth Coventry, formerly at Langan's, has a deft touch when it comes to such typically English dishes such as sausages and mashed potatoes, shepherd's pie, liver and bacon, oxal stew, kedgeree, steak and kidney pudding and, to finish, treacle tart.

Typically French

If your taste is for something more international, your destination should be Monsieur Thompsons at 29 Kensington Park Road. Although it is never easy to transplant something so typically French as a bistro to the heart of London, here the near impossible has been achieved.

This restaurant is so French it would fit naturally along any boulevard. Nor need this surprise anyone. It is owned by a Frenchman, Dominique Rocher, and his front of house manageress, Catherine, is a Parisienne and with a sunshine personality. But most important, the chef, and his two assistants, are all experts who received their training at the Hotel Crillon.

With such a pedigree I was not surprised to be served nouvelle cuisine that breathed originality, and included those expected touches of class that have already won the restaurant recognition in *Michelin*. It cannot be long before it moves higher up the ratings. Here there are endless variations of a theme without any inhibitions about everything served having to be 'natural'.

If you want atmosphere, and a touch of Paris in London, try Monsieur Thompsons, even though it is a little off the beaten track.

If you prefer a more central venue eat at either Ormond's,

ourite with almost every member of Margaret Thatcher's cabinet, although the Prime Minister herself has not yet appeared. The charm of the place is not only the lunches and dinners they serve, but the delightful bonhomie with which Welsh patron, Patrick Gwynn-Jones, welcomes all his guests whether first timers or regulars. However, be warned, there are so many of the latter that it is wise to phone and book a table (01-828 6560).

When you arrive the chances are that, whatever your home country, there will be something from it on the menu. Where else in London can you eat Welsh baked trout in omelette and bacon, Mexican baked crab, a Jamaican pepperpot, or Hussein Kebab. As Russians are not too much in evidence, Patrick also feels it is safe to serve Kabuli Kebabs with chutney and rice.

Dine and Dance

If your preference is for something more formal, walk across the road and dine (evenings only, except Sunday when they serve Brunch) at the unique Elephant on the River.

Once associated with a famous London club in Curzon Street, it is now independently owned by four expert Italian restaurateurs - Luigi Buosi, Toni Arbia, Orlando Germani and Domenico d'Urso. Any restaurant run by four Italian professionals is certain to be good. It is more than that. It is delightful.

In the restaurant, where there is dancing each night, except Monday when the Elephant packs its trunk and is closed, the ambience is as elegant as anywhere in London. This is a restaurant where ladies can wear their finery... and also expect considerable competition from other guests who may be Londoners, or from as far away as Australia, South America, Hong Kong or the States. Although it is a club, visitors are welcome at the Elephant on the River.

However, there is more to London than pomp, page-

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Herald Tribune
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The Blue-Collar Eloquence of David Mamet

The following is excerpted from an article in
The New York Times Magazine.

by Samuel G. Freedman

NEW YORK — The poker game starts at 7:30 every Wednesday night. It ends, David Mamet says, any time between 1:30 A.M. and noon Thursday. The men eat ham sandwiches, drink beer and smoke a lot of cigars, and thousands of dollars move across the table. But if this sounds like a typical card game, it has its peculiarities. The regulars include a painter, a film professor and, in Mamet, a Pulitzer Prize-winning playwright. And their conversation, for all the usual bluffing and cussing, often turns to art or literature or organic gardening.

If one can know a man by his rituals, then the poker night reveals something essential about David Mamet. His card game, like his writing, like his life, brings an intellectual sensibility to a working-class world. Mamet employs Aristotle's rules of drama to write about petty thieves and sleazy salesmen; he composes free verse out of grunts, sighs, obscenities and sentence fragments. In both his stark writing style and his fascination with the male tribe, Mamet resembles Ernest Hemingway more, perhaps, than any writer of his generation.

Over the last decade, Mamet has proved as prolific and as successful as any American playwright. After bursting onto the scene as a wunderkind with "American Buffalo" — written and produced in 1975, when he was 27 — he has demonstrated a staying power rare in a field of fickle acclaim. Mamet endured some critical doubts in mid-career over plays like "The Woods," "Lone Canoe" and "Edmond," but he continued to write every day in his workmanlike way.

"The idea that one can become a better writer, a more famous writer, a richer writer, has been the ruin of many many writers," Mamet says, "and I do not plan to be one. It's like a guy who makes chairs. It's something I can do and I can do well. And obviously if I keep at it, within the limits of the form, I should get better at it in small increments. But the important thing is not my becoming a better chair maker, but the chair. You don't become better in general, the chairs become better."

In the last three years, Mamet's regimen has yielded the highly regarded screenplay for "The Verdict" and the caustic comedy "Glengarry Glen Ross," for which he won both the Pulitzer Prize and the New York Drama Critics Circle Award as the best American play of 1984. He won Tony nominations last year for both "Glengarry" as the best drama and "American Buffalo" as the best revival, a rare achievement. This year, Mamet has renewed his traditional ties to the Goodman Theater in Chicago. The theater

staged his adaptation of Chekhov's "The Cherry Orchard" in March. Mamet's latest plays, the one-act dramas "The Shawl" and "The Spanish Prisoner," began performances recently at the Goodman's New Theater Company — an offshoot devoted to new American plays — and a revival of "The Water Engine" began recently on the Goodman's main stage. It amounts to a Chicago Mamet festival.

THAT is appropriate, for there is no better place to begin to talk about Mamet than Chicago. He grew up there, and references to the city pervade his plays. In the Goodman Theater and in its artistic director, Gregory Mosher — who has directed all but one of Mamet's 12 plays at the Goodman — Mamet has found a security few playwrights enjoy. Although Mamet now divides his time between a Chelsea town house and a Vermont farm, he still belongs to the lineage of Chicago writers. He echoes their direct style and their loathing of pretense.

It seems logical that, since Mosher recently was named artistic director of the Vivian Beaumont and Mitzi Newhouse Theaters, at Lincoln Center in New York — Mamet's plays may have their premieres in New York. Mosher, however, is retaining his ties to Chicago as artistic director of the New Theater Company. In any case, that would not make Mamet any less of a Chicago writer, for more than sharing a landscape with his literary forebears, Mamet shares a state of mind.

"It carries with it a certain intolerance for the purely ornamental," he says of the Chicago literary tradition, "and a great support for the idea of brashness and the application of the individual intellect. Chicago is: 'Have a good time, get a girl, have a beer.' There's also the idea of completion, of production. You don't have guys sitting around in cafes with cigarettes trembling — 'Oh, my God, I'm a writer, but I can't write.' Well, in Chicago, the answer is, 'Go home, you sissy. If you're a writer, write.'"

Hemingway, too, was a Chicago writer. That he has fallen into a certain disrepute — too macho for the age of feminists and the "sensitive man" — makes the parallel with Mamet even more apt. At 37, Mamet seems part of his generation only by the accident of birth date. He has rejected both the suburban experience of the 1950s and the counter-culture of the '60s, embracing instead the sort of life to which Hemingway's Nick Adams might have aspired. With his broad chest and round shoulders, his down vest and his close-cropped black hair, Mamet looks more like a millwright than a playwright.

At a time when his contemporaries in theater often turn to Freudian exploration of family themes, Mamet writes out of a wider set of experiences. "Glengarry" derives from

a job in a high-pressure real-estate office, "Lakeboat" from a summer on a Great Lakes ore boat, "American Buffalo" from a series of poker games with the ex-convicts who frequented a Chicago junk shop.

Mamet stands apart from many of his peers not only as an experiential writer, but as a self-taught one. Mamet initially wanted to become an actor and when he was 20 started writing scenes for himself and friends to practice. Within four years, he had formed a theater company, and had become its resident playwright.

"I never really wanted to be a writer," he says. "I never spent any conscious time devoted to the philosophy or technique of writing until I'd been writing for a long time. Sherwood Anderson talks in one of his stories about how he was writing advertising copy for a living and one day he just started writing a story instead. And he looked at it and said, 'My God, that's writing. I can do that. How about that?'"

Mamet presents himself as both an average Joe and an intellectual. His style is to say,

Mamet's card game, like his writing, like his life, brings an intellectual sensibility to a working-class world.

"ain't" in one sentence and quote Jung and Tolstoy in the next. He wears a crumpled baseball cap with the insignia "Twelfth Night."

It is no accident that Mamet often writes in a cabin without electricity, that he abhors the very idea of a word processor. To him, writing is a craft, a job. He is utterly uninterested in discussing his writing process —

"The process is not important. What difference does it make?" — and when he does talk about writing, he is likely to grab hold of a handmade chair in his kitchen and liken himself to its maker. He loves writing in part because it involves producing something tangible, something he can hold and read and ultimately see on stage. Mamet's blue-collar ethic insists on preparation, on daily discipline. Far from being a modernist, as some critics deem him, he is a traditionalist in both process and product.

If one theme recurs in Mamet's plays, it is the exploitation of the weak by the strong, of the individual by the institution. The salesmen of "Glengarry," hurled into combat by a sales contest with a Cadillac as prize, turn on one another, their customers and their boss. In "The Water Engine," which Mamet subtitled "An American Fable," a man discovers an engine that can run on water; his rivals steal and destroy the machine and ultimately murder him. One can view the

thieves of "American Buffalo" as Mamet's analogs to big-business men.

His new one-act plays both derive, in different ways, from confidence games. In "The Shawl," a psychic and his homosexual lover try to relieve a customer of her \$700,000 inheritance by playing upon her vulnerability and trust. "The Spanish Prisoner," which takes its title from a con game, is essentially one man's denunciation of the abusive society around him. "The sole test of life is the will to exploit," the man says at one point. "Whoever does not possess, this will must die." His sense of outrage is clearly Mamet's own.

SUCH plays have earned Mamet a reputation as the chief critic of capitalism among American playwrights. He did, after all, entitle an essay about advertising "A Nation of Pimps." But it is too simple to hang any political label on Mamet, for he is probably more of a liberarian than a liberal or conservative. The salesman Ricky Roma in "Glengarry" declares: "I swear, it's not a world of men. It's not a world of men. It's a world of clock-watchers, bureaucrats, office-holders. . . . There's no adventure to it. . . . We are the members of a dying breed."

"The problem of our age," Mamet says, "is that society is tending toward the totalitarian in all aspects. Obviously, it's clear in the Eastern bloc countries. It's less obvious in this country, but it's nonetheless true. Conglomeration, the disappearance of individual initiative, the inability of the individual to address grievances. If you look at both Western and Eastern civilization, you say something's going on here. It's obviously not a trick of the light. You have two disparate systems, and in spite of their philosophical differences they are heading in the same direction. Something is happening in human nature."

The hero, then, is the person who can resist. In "Glengarry," it is the most hapless of the salesmen, but the one who can mutter, in one of the last lines of the play, "Oh, God, I hate this job."

"Maybe what I'm saying in the plays is that human nature does not change, but individual nature does," Mamet says. "So that the only redemption for the individual is not to change with the institution, not to become part of the institution."

In other plays, Mamet's societal concerns boil down to the difficult, almost the impossible, of individual connection. "A Life in the Theater" and "Squirrels" — about the relationships between a young and old actor and a young and old writer, respectively — address themselves to the search for a mentor, for continuity across generations. Even in "The Shawl," the psychic is trying to teach his craft to his lover, a younger man. Plays

Continued on page 10

Europe's Summer Festivals: Tradition, Music and the Box Office

by John Rockwell

EUROPEAN summer festivals are best symbolized by Bayreuth in West Germany and Salzburg in Austria. They are the two oldest and grandest of the large-scale, international-style events, and between them they define what such festivals can and should be. These days, though, every European village seems to gather together a few musicians and call the convocation a festival, and there are some economic reasons as well as musical ones for that.

Bayreuth is the classic festival created in fulfillment of a single vision. That vision was by Richard Wagner, of course, and its subject was himself. What makes Bayreuth so special is the very single-mindedness of the experience. If you don't much like Wagner, you shouldn't be there in the first place. If you do like Wagner, any flaws in performance or production — and under the shaky leadership of the less talented of the two Wagner grandsons, Wolfgang, there have been plenty of such flaws in recent years — will be swept aside by the intensity of the Wagnerian immersion.

Salzburg is a festival on a different model. Yes, its focal point is Mozart, the city being his birthplace. But Salzburg's true purpose, when it was founded in the early 1920s, was to provide a festival paradigm of the fragmented Hapsburg Empire — an Austrian artistic image of a cosmopolitan, heterogeneous entity bound together in a communal spirit. Thus the festival offers a little bit of a lot of different things, but it can all work as a unifying experience because of the concentration of artistic energies, the charm of the city and even the touristic bustle that can otherwise seem so distracting. It is also, be warned, mercilessly expensive.

If those two festivals are the models, there are others that speak to more contemporary impulses. Many recently founded festivals seem to owe their origins to nonmusical motives. That doesn't mean they aren't interesting or enjoyable, but it does mean that they may have been planned to attract tourists and foreign currency, to fulfill union contracts or simply to provide local opera subscribers with gala casts at inflated prices.

Festivals of this sort usually lack the concentrated time span and thematic unity of the smaller, more focused attractions. They spread over entire cities or even countries, if the countries are compact enough. Examples of such nationwide festivals are those of Flanders and the Netherlands, both full of good things that a tourist should pick by event; it makes no sense to "go to the Holland Festival" as a thing in itself.

The best-known city festivals are those of Munich, which is basically the Bavarian State Opera gussied up with flossier casts than usual and more expensive tickets, and the Vienna Festival, which besides its own productions and visiting attractions, calls on almost all of the city's theaters and musical ensembles. The Berlin Festival — actually festivals, since East Berlin's begins just as West Berlin's is ending — is another example of such a citywide effort, in which the various cultural organizations of a given city are coordinated and mobilized to special efforts; so are Florence's Maggio Musicale, the Edinburgh Festival, the Lucerne Festival and the Israel Festival in Jerusalem.

In Eastern Europe, Dresden's festival should be particularly glamorous this year. In doing that first book, Gibson discovered he had an ability for research that he wasn't aware of, an indefatigable drive in poring over notes, letters, newspapers and above all talking to people. "Or better said, listening to people. Sometimes I found people would go onto another subject which would have nothing to do with Lorca, or so it seemed, but all of a sudden they had told me something very useful."

Continued on page 11

In Search of García Lorca

by Mary Feirson Kennedy

MADRID — "He has a halo of sanctity that almost no other writer has ever had . . . his assassination catapulted him into world fame."

Ian Gibson, 47, is speaking of his favorite subject — the Spanish poet, dramatist, composer, writer Federico García Lorca, whose biography he is in the process of completing.

With much fanfare the first volume of 700 pages, "Federico García Lorca: de Fuente Vaqueros a Nueva York, 1898-1936" (Editorial Grijalbo, Barcelona, 2,500 pesetas) was launched in Madrid April 24 at the National Theater, which is currently presenting one of the last two plays Lorca wrote, "La Casa de Bernarda Alba." The author hopes to have the second volume come out next year to coincide with the 50th anniversary of Lorca's death at age 38, on Aug. 19, 1936, at Viznar, in the province of Granada.

Gibson, an Irishman who became a Spanish citizen last year, has written the biography in Spanish, but an English version is scheduled to come out next year at the same time as the second volume in Spanish.

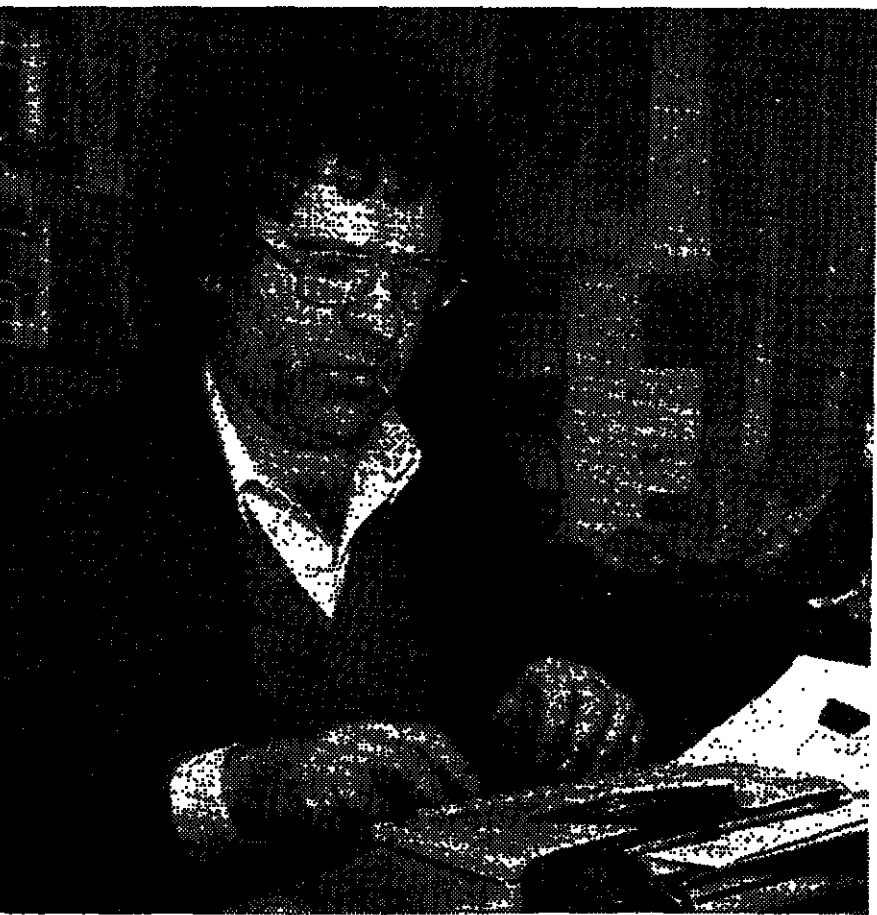
"This biography, I suppose, began 20 years ago, although I only started putting it together seven years ago," Gibson said. "When I went back to my notes about my time in Granada in 1965 they were very complete. There was a great deal about Lorca that had nothing to do with his death . . . all along I had been unconsciously preparing to write more."

"The Nationalist Repression in Granada in 1936 and The Death of Federico García Lorca" by Gibson was first published in 1971. It was the result of a year in Granada, originally planned as a year off from his post as lecturer in Spanish at Queen's University in Belfast to work on his thesis, the poetry of Lorca.

"When I got there and started to talk to people, I soon discovered that everyone thought I had come to write about the death of Lorca." This was a brutally forbidden subject in those days under Franco, but Gibson soon realized that as a foreigner people would talk to him, say things that they wouldn't say to another Spaniard out of fear. And in the end it was the poet's death that he wrote about, not his life or his poetry.

After being turned down by several English publishers, the book first came out in Spanish, published by Ruedo Iberoico in Paris, that great salvation during the Franco years for many Spanish and foreign authors. After the book won the Prix International de Presse de Nice in 1972, British publishers suddenly took interest and Gibson was quickly established as a Lorca authority. To date it has been published in 14 languages, one of the most recent being Russian.

In doing that first book, Gibson discovered he had an ability for research that he wasn't aware of, an indefatigable drive in poring over notes, letters, newspapers and above all talking to people. "Or better said, listening to people. Sometimes I found people would go onto another subject which would have nothing to do with Lorca, or so it seemed, but all of a sudden they had told me something very useful."



Ian Gibson at work.

David Board

According to Gibson, Spain is a difficult place to do research. Years of scholarly neglect have taken their toll, bibliographies are not plentiful, smaller libraries lack cataloging, things are in disorder. One of his biggest problems was the abundance of anecdotes about Lorca, some of them simply not true. Has he come up with new facts?

"A few, a few unpublished photos." The family of Federico, as he is known all over the country, was most cooperative and showed him any correspondence he asked to see. The nephew of the poet, Manuel Fernandez Montesinos Garcia, is head of the Federico García Lorca Foundation, which has in practically all of the Lorca correspondence besides many other things, including the manuscript of an only recently published play, "Los Sueños de Mi Prima Aurelia" (The Dreams of My Cousin Aurelia), which with "La Casa de Bernarda Alba" Lorca was preparing for production when he was shot.

"Federico, you know," said Gibson, "was not some kind of a strange duck that turned out to be a talented genius. He was an artistic family full of vitality, energy and ability themselves. They sang, wrote, danced, painted, and Lorca was the culmination of all this talent, he was their dearly beloved poet."

Another difficulty Gibson ran up against was the sexual repression in Spain. In the case of Lorca, his homosexuality was (and in some cases still is) denied or ignored. The

Nationalists, after having killed him used a smear campaign against the poet in order to confuse the facts surrounding the Franco government's order to shoot him.

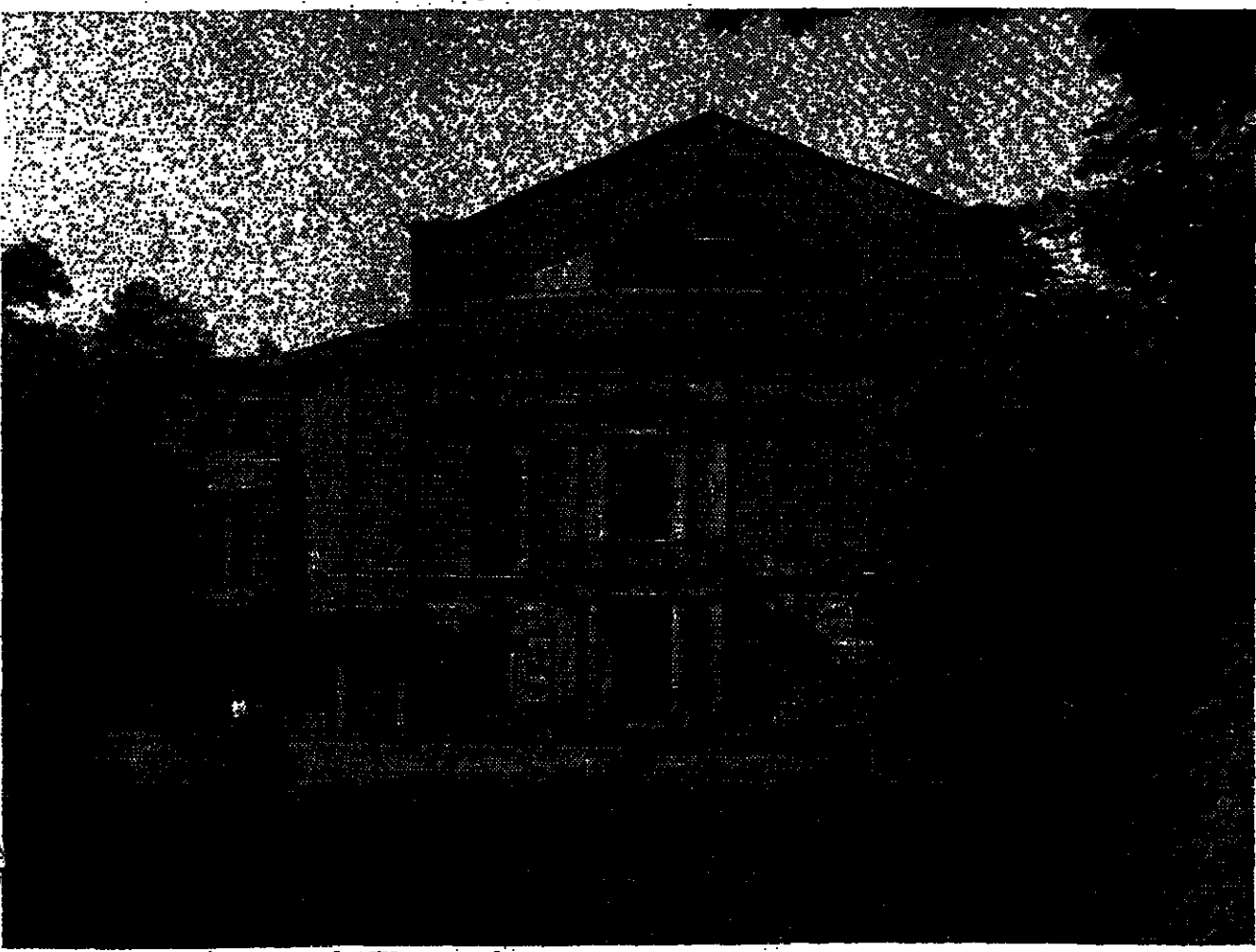
Lorca's great friendship was with Salvador Dali. They met when they were both students in Madrid and part of the first volume is devoted to this friendship and to the time that Lorca spent in Catalonia, especially in the 1920s and '30s in Cadaqués, the village where Dali still lives. Much of the information comes from Dali himself and from his sister, Ana Maria Dali, who wrote a book entitled "Salvador Dali, Visto Por su Hermana" (as seen by his sister). There is a touching passage in the book when the author tells about Holy Week of 1925 when, at Dali's insistence, Lorca read aloud his latest play, "Mariana Pineda."

Putting forth all his talents as an actor, Lorca threw himself into the role, and as the cliché goes, there wasn't a dry eye in the house. Dali looked at them all, as if to say, "See, didn't I tell you?"

Gibson emphasizes that his biography is not an official one, although as far as he knows it is the only one coming out for the anniversary of the poet's death. In spite of all that has been written on Lorca, this is the first complete biography, dealing with all the aspects of his short life.

Gibson admits he sometimes feels strange

Continued on page 11



Bayreuth's Festspielhaus — for Wagner only.

TRAVEL

INTERNATIONAL DATEBOOK

DENMARK

COPENHAGEN, Tivoli Hall (tel. 14.17.65).
CONCERT — May 16: Tivoli Symphony Orchestra, John Frandsen conductor, Yuzuko Horigome violin (Bach, Mozart).

ENGLAND

LONDON, Barbican Art Gallery — To June 30: "American Images" Photography 1945-1980.
Barbican Hall — May 16: London Symphony Orchestra, Myung Whun Chung conductor (Beethoven, Prokofiev).
May 17: London Concert Orchestra, Brumwell Tovey conductor (Gershwin, Copland).
May 18: Dallas Symphony Orchestra, Eduardo Mata conductor (Ponce, Mahler).
Barbican Theatre — Royal Shakespeare Company — May 11, 13, 14, 15: "Henry V" (Shakespeare).
May 17: "Hamlet" (Shakespeare).
London Coliseum (tel. 836.31.61).
OPERA — May 16: "The Marriage of Figaro" (Mozart).
May 17: "Madama Butterfly" (Puccini).
Museum of Mankind (tel. 636.15.55).
EXHIBITION — May 14-June 14: "North American Indian and Eskimo artists."
Royal Academy of Arts (tel. 734.90.52).
EXHIBITION — To July 14: "Edward Lear, 1812-1894."
Royal Opera (tel. 240.10.66).
BALLET — May 11: "The Sleeping Beauty" (Tchaikovsky).
May 13, 14, 16: "Swan Lake" (Tchaikovsky).
May 15: "Les Sylphides" (Mikhail Fokine).
OPERA — May 17: "Samson et Delila" (Saint-Saëns).
Tate Gallery (tel. 821.13.13).
EXHIBITION — To June 2: "The Political Paintings of Mark Rothko" (1910-1973).
Victoria and Albert Museum (tel. 599.63.71).
EXHIBITIONS — To June 9: "The People and Places of Constantinople: watercolours by Amadeo, Count Prozi (1816-1882)." "Mouton Rothschild: paintings for labels." To October 22: "Textiles from the Wellcome Collection: ancient and modern textiles from the Near East and Peru." May 15-Sept. 15: "Louis Vuitton: A Journey through Time." Wigners Hall (tel. 935.21.41).
RECESSIONS — May 12: Neil Anderson and David McLellan guitar duo (Scarlati, Handel).
May 15: Martino Tirimo piano (Schubert).
May 17: Simon James guitar (Bach, Aguado).
NOTTINGHAM, Royal Concert Hall (tel. 41.97.41).
CONCERT — May 13: Dallas Symphony Orchestra, Eduardo Mata conductor, James Galway flute (Ibert, Stravinsky).

FRANCE

NICE, Acropolis (tel. 92.80.05).
CONCERTS — May 11 and 12: Nice Philharmonic Orchestra, Bertelso Klobucar conductor (Beethoven).

GERMANY

BERLIN, Deutsche Oper (tel. 341.44.49).
OPERA — May 14: "Manon Lescaut" (Puccini).
May 16: "Pelléas et Mélisande" (Debussy).
Schloss Charlottenburg (tel. 3201-1).
EXHIBITION — To May 25: "Antoine Watteau."
FRANKFURT, Alte Oper Frankfurt (tel. 134.04.00).
CONCERTS — May 12 and 13: Frankfurt Opera and Museum Orchestra, Michael Gielen conductor (Haydn).
RECESSION — May 11: Christoph Eschenbach, Justus Frantz piano (Mozart, Schubert).
HAMBURG, Staatsoper (tel. 34.91.71).

HONG KONG

HONG KONG, Tsuen Wan Town Hall (tel. 790.75.21).
CONCERT — April 11: Hong Kong Philharmonic Orchestra, Maxim Shostakovich conductor, Choi Sown Lee piano (Tchaikovsky).

ITALY

BOLOGNA, Galleria d'Arte Moderna (tel. 50.28.59).
EXHIBITIONS — To May 20: "Tullio Pericoli" "Roberto Barni." "Teatro Comunale di Bologna" (tel. 22.29.99).
OPERA — May 14 and 16: "Faust" (Gounod).
FERRARA, Palazzo dei Diamanti (tel. 350.17).
EXHIBITION — To June 15: "Joan Miro."
MILAN, Teatro alla Scala (tel. 80.91.26).
BALLET — May 14, 16, 17: "Romeo and Juliet" (Prokofiev).
OPERA — May 15: "Macbeth" (Verdi).
TURIN, Royal Palace (tel. 839.88.02).
EXHIBITION — To May 22: "Courtly Life in Rajasthan Seen Through Indian Miniature Paintings from the XVII to XIX Centuries."
VENICE, Ca' Vendramin Calergi (tel. 70.99.09).
EXHIBITION — To May 19: "Figurative Japanese Art: 1873-1964."

JAPAN

TOKYO, Idemitsu Art Gallery (tel. 213.31.28).
EXHIBITION — To June 2: "Turkey: Land of Civilizations."
Japan Folk Craft Museum (tel. 467.45.27).
EXHIBITION — To June 23: "Crafts of North-Eastern Districts."
National Museum of Western Art (tel. 330.31.31).
EXHIBITION — To May 26: "Pointillism."

NETHERLANDS

AMSTERDAM, Concertgebouw (tel. 71.83.45).
CONCERTS — May 11: Netherlands Symphony Orchestra, Willem Weseloh conductor (Haydn).
May 12: Concertgebouw, Zoltan Pesko conductor, Yuri Egorov piano (Brahms, Liszt).
RECESSION — May 17: Vera Berthel, Lambert de Leeuw piano (Shostakovich).

SCOTLAND

GLASGOW, Mayfair Ballroom (tel. 332.38.72).
JAZZ — May 14: Chicago Blues. "Maggie" Theatre (tel. 552.59.61).
DANCE — May 16 and 17: The Joel Hall Dancers.
Troy Theatre (tel. 552.42.67).
THEATRE — May 14-16: "In the Belly of the Beast" (Abbott).

SPAIN

BARCELONA, Centro de Estudios de Arte Contemporáneo (tel. 329.19.08).
EXHIBITION — To May 19: "Anthony Caro."
MADRID, Biblioteca Nacional (tel. 435.40.03).
EXHIBITION — Through May: "Frida Kahlo, Manuel Alvarez Bravo and Vicente Rojo."
Fundación Joan Miró (tel. 329.19.16).
RECESSION — May 13: Juan Linares violin, Francisco Salanova piano, Perfecto García Chornet piano (Bach, Handel).
Fundación Juan March (tel. 435.42.40).
EXHIBITION — Through May: "Russian Vanguardism."
Museo Municipal (tel. 222.57.32).
EXHIBITION — Through May: "Los Madrazos."
Paseo de la Castellana (tel. 419.04.40).
EXHIBITION — Through May: "Richard Hamilton."
Palacios de Velázquez y Cristal (tel. 274.77.75).
EXHIBITION — May 11-31: "Spanish Sculpture: 1900-1936."

SWITZERLAND

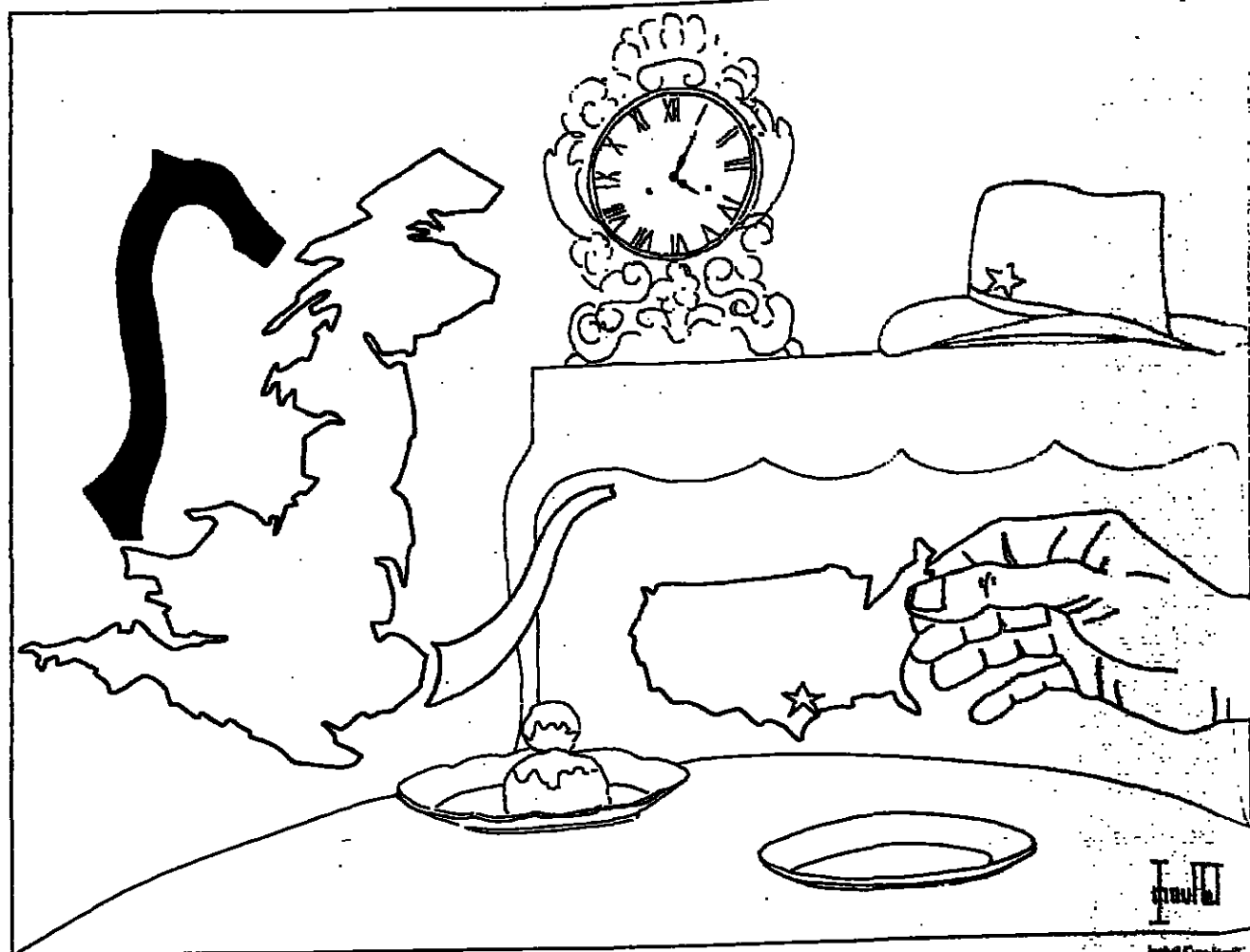
BERN, Musée des Beaux-Arts (tel. 22.09.44).
EXHIBITION — To May 19: "Camille Claudel and Auguste Rodin."
Cité de la Culture (tel. 46.14.33).
EXHIBITION — To June 15: "Marcel Lippin and Mouton."
LUGANO, Palazzo del Congressi (tel. 58.91.23).
CONCERT — May 17: The Swiss Radio and Television Orchestra, Bruno Zander conductor (Gounod, Verdi).
SCHAFFHAUSEN, Stadhaus (tel. 81.33.33).
CONCERT — May 17: Hungarian Philharmonic, Klaus Conrad conductor, Peter Waters piano (Bach, Weber).
RECESSION — May 18: Gustav Leonhardt organ and cello (Handel).
ZURICH, Opernhaus (tel. 251.69.20).
OPERA — May 16: "Carmen" (Bizet).
Tonhalle (tel. 221.22.83).
CONCERT — May 15: Tonhalle Orchestra, Cristóbal Halperín conductor (Bach, Mozart).
RECESSION — May 15: Elena Scrima piano (Debussy, Ravel).

UNITED STATES

NEW YORK, Guggenheim Museum (tel. 960.35.00).
EXHIBITION — To June 16: "Gilbert and George."
Metropolitan Museum of Art (tel. 353.77.10).
EXHIBITIONS — To Sept. 1: "Man and the Horse."
To Sept. 5: "Revivals and Explorations in European decorative arts."
Lincoln Center (tel. 870.55.70).
BALLET — Through June 23: New York City Ballet.
Museum of Modern Art (tel. 708.94.00).
EXHIBITION — To June 4: "Francis Roussou."

WALES

CARDIFF, St. David's Hall (tel. 37.12.30).
CONCERT — May 12: Philharmonia Orchestra & Chorus, Carlo Maria Giulini conductor, Elaine Woods soprano, Robert Lloyd bass (Beethoven).



Teatime in the Heart of Texas

by Elaine Davenport

AUSTIN, Texas — A Dutchman and a Frenchman in charge of afternoon tea, English style, in the capital of Texas? Improbable but true, and a great success.

"It's really taken off," says Ian van Riemsdyk, general manager of the old Stephen F. Austin Hotel, just down Congress Avenue from the state capitol. "It's a must for any deluxe hotel and I think it's a very nice tradition, too," says Jean Loubat, the food and beverages director.

No cowboys have appeared yet for the ritual, but a plate of chocolate chip cookies is on hand, just in case. "After all, this is Texas," says Loubat.

More traditional afternoon tea fare includes scones, cucumber sandwiches, tarts and cakes, and a choice of tea — Earl Grey, Daring, Jasmine and Orange Pekoe. Coffee and soft drinks are included in the \$5.95 price, but alcoholic beverages are extra. (Champagne is very popular.)

"Ladies come and stay the whole time, from 3 to 5 P.M.," says Tina, a tea waitress. "They try a little bit of everything and just talk and talk." Friday is the most popular day.

European customs are welcome in Texas,

says van Riemsdyk. "I think Texans are the most history-oriented Americans," he says. "Austin is a capital with a lot of history. And Texans are very friendly. They like Europeans, from the old continent, because they also have an old history."

The afternoon tea takers were happily proving him right. Seated on comfortable sofas and high backed chairs in a setting reminiscent of a grandmother's stylish living room, groupings of hotel guests and Austinites were eyeing the pastry cart.

"We lived in London for six years," said Jenn McReynolds, a native Texan. "The ambience is as nice as in London — like at Brown's Hotel." Her husband, Don, a retired oil executive, said the food was not as plentiful as in London, but very nice, anyway.

INDEED, you might expect the Texas teacart to be overflowing with bigger and better everything. "We keep it small," says Loubat, "with a few selections. It's not a large buffet full of food."

Another thing that might make the true Brit raise a disparaging eyebrow is that tea-bags are available, as well as loose tea. Who never heard of "Cinnamon Stick" and "Lemon Lift" teabags at a proper afternoon tea? And the cream, instead of milk, served with the tea would be a sacrilege in Britain, to say nothing of whipped cream instead of

clotted cream for the scones. In fact, Loubat had Devon clotted cream on hand, but thought it had become too batty in transit and chose not to serve it.

But no one seemed to mind that tea had been slightly Texanized, especially with the harpist Anita Harvey playing classical Italian and 18th-century piano music as a background. "Some people ask for 'Queen's leaves,'" she says, but otherwise I just get comments about the harp — like, 'The harp sings its own song' and 'It's a magnificent obsession!'"

Formerly the principal harpist of the New Haven Symphony in Connecticut, Harvey came to Austin, liked it and stayed. Why harp music as an accompaniment to afternoon tea, just like at London's Savoy Hotel?

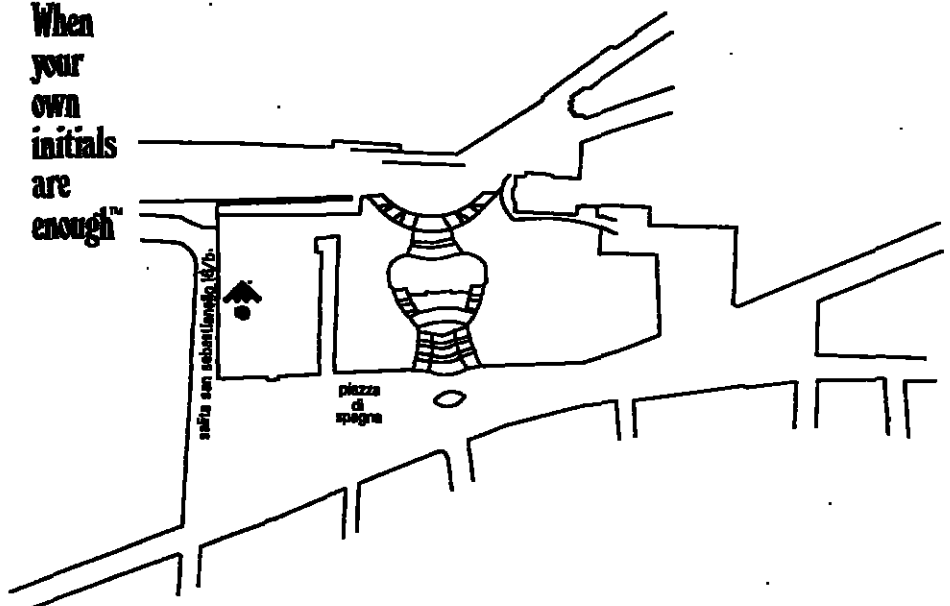
"I only know that harp music is not obtrusive and has a clarity, dignity and warmth," she says. The Stephen F. Austin Hotel has two snubnoses — both in California — where afternoon tea is also popular. Van Riemsdyk says it is increasingly available at better American hotels. "Tea is not a big winner as far as profit," says van Riemsdyk. "But it's that little touch which is needed for a deluxe property. It's well worth it."

Elaine Davenport, who lives in Austin, is a journalist and television producer.

WEEKEND

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FOR FUN AND PROFIT

Troubled Pan Am Seeks A Renaissance in Europe

by Roger Collis

IT WAS 11:30 P.M. at JFK Airport in New York. Pan Am flight 82 had been due to take off for Nice at 5:25 P.M. The plane had been sitting on the tarmac for about 45 minutes when the pilot came over the intercom: "Ladies and gentlemen, I know you're angry and have been badly treated, but I do ask you to be patient for a few minutes longer. The mechanics are still working on number two engine and I expect to have some news momentarily." Shortly before midnight the engine cowlings were replaced, the engines started up and the plane cleared for takeoff.

Of course, delays like this are familiar to the seasoned traveler. And who can blame an airline for a last moment hydraulic problem? The point is, that although the first-class passengers had been fed and watered and offered a free shower in the Clipper Club, where the air-conditioning had broken down, everyone else, according to a young couple in business class who had arrived the afternoon from Los Angeles, had been left to the slender resources of a \$7.50 voucher during their six-hour wait. An elderly American lady said she had chosen Pan Am because it was a nonstop flight, but would fly Air France next time. One wag ventured that perhaps this was supposed to be an inaugural daytime flight. More to the point, said someone else, they might have offered everyone a glass of champagne.

To make matters worse, business class in this particular Boeing 747 was the old eight seats across configuration instead of the much lauded six seat arrangement of Pan Am's new "Clipper Class," for which passengers were paying a cool \$2,958 for the round trip to Nice.

It is probably unfair to single out this flight for criticism. But it was just three days after its inauguration on April 28 as the first nonstop service between New York and Nice. And although there was nothing to complain about once in the air—the cabin staff was friendly and efficient—the experience did nothing to enhance Pan Am's competitive edge as this troubled airline prepares to shed its Pacific routes and plans its renaissance on the North Atlantic.

On April 28, Pan Am also inaugurated a daily nonstop New York-Hamburg service as well as service to Amsterdam, Athens, Belgrade, Bucharest, and Vienna. "Adding these cities makes Pan Am the largest U.S. flag carrier on the North Atlantic," says John Krinski, Pan Am's senior vice president for marketing. The airline has added a second daily flight from New York to Paris and now flies nonstop from Los Angeles and Washington to Frankfurt, Detroit to London and Washington to London.

It is no coincidence that a couple of weeks ago, Pan Am announced the sale of its Pacific division to United Airlines for \$750 million. According to Krinski, the total value of the deal, which includes the sale of 18 aircraft (11 long-range Boeing 747-SPs, 6 Tri-Stars and one DC-10) is about \$900 million, which makes it the largest transaction in aviation history, exceeding the record \$750 million that Pan Am paid for National Airlines in 1981. United, the world's largest airline outside the Soviet bloc, is fulfilling a longstanding ambition by acquiring Pan Am routes to destinations like Tokyo, Beijing, Taiwan, Hong Kong, Singapore and Sydney. It is taking them on as a going concern, along with 2,700 Pan Am employees, including 410 pilots. It was Juan Trippe, the founder of Pan Am, who pioneered these routes 50 years ago. All that remains will be Pan Am's service to Hawaii, which is part of its domestic network.

Pan Am's retreat from the Pacific (23 percent of its revenue last year, second only to the Atlantic, 43 percent) which is the world's fastest growing airline market, was a strategic necessity. Pan Am had an operating loss of \$223 million in 1984 (the only major U.S. airline that failed to make a profit) which brings its cumulative losses over the last four years to \$762 million. It has a debt estimated at \$1 billion. A monthlong strike spread over March and April further depleted its resources.

According to a Pan Am spokesman in London, the airline would have needed to invest \$1.2 billion to re-equip its Pacific fleet with long-range Boeing 747-300s (which cost more than \$110 million each) and develop a feeder network into the West Coast gateways, which United already has. "We didn't have the resources to do this. The United deal should reduce our debt equity ratio from 6:1 to 0.75:1. It gears us to make full use of our Airbus order and develop Europe, the Middle East, Africa, the Caribbean and South America," he says.

Pan Am recently placed orders with Airbus Industrie for A320s and A310-300s at a

potential cost of \$1 billion. The former will be used as feeder aircraft in the U.S. and Europe, while the twin-engine A310-300s, due for delivery in two to three years, may ultimately be used in extended range operations on the Atlantic.

Many of Pan Am's current problems stem from the National Airlines acquisition—which coincided with the upheavals of U.S. deregulation and the economic recession. Says Krinski: "Pan Am suffered from not having a U.S. domestic network and in the merger with National bled itself of tremendous resources. We sold our hotels, our building, all at a time when business was falling off. It was a serious reversal."

Last year, Pan Am's domestic operations, which accounted for 20 percent of its revenue, made an operating loss of about \$280 million. This compares with profits of \$100 million on the Atlantic and \$50 million on the Pacific.

The airline has been bedeviled by infelicitous timing. According to Krinski, a "prime component" of the Pacific sale is that the low-range economics of Pan Am's existing 747 fleet are not as attractive on the Pacific as in Europe and South America. The reason is that eight years ago, Pan Am purchased Boeing 747-SPs, a small version of the wide-bodied 747, carrying half the number of passengers (250 compared with 450). At that

Deal with United marks retreat from the Pacific

time the SP was the only plane capable of long-range operations. But today, the 747-300 has the same range and a significantly lower cost per seat-mile. "We fly two 747-SPs a day from New York to Tokyo, whereas Japan Airlines flies one wide-bodied 747. They're flying half the number of planes, half the crew, half the number of engines for the same revenue," Krinski says.

Pan Am is counting on getting the economics right for its entrepreneurial push into Europe. This will depend on the load factor—how many people are sitting in the plane and how much they pay—especially on thinner routes such as Nice. Value for money in first class and business class, which will account for about a third of the flight revenue, is important, especially when compared with the high quality of in-flight service provided by some European carriers. (Will the business traveler be prepared to pay a premium of around 12 percent for "Clipper Class" in Pan Am?) And additional capacity is being provided by other U.S. carriers. For example, American and Delta are now flying nonstop to Paris from Dallas and Atlanta respectively.

Krinski is confident. "The secondary cities we now serve will open up market opportunities we never had," he says. At JFK, Pan Am is promoting its "World Port" terminal, where you can change from international to domestic flights under one roof. For business travelers, there is a free helicopter service to Manhattan and Newark. And Pan Am's "World Pass" may be the frequent flyer program offering the most benefits: the big payoff is two passes for 30 days of international travel when you reach 175,000 miles. But according to Krinski, the key to the leisure market is innovative fares, a hard thing to achieve in Europe's restrictive legislative climate. In April, Pan Am ran ads in the United States for introductory one-way fares of \$199 from New York to Nice and Hamburg and \$249 one way to Amsterdam, Athens, Belgrade, Budapest and Vienna, subject to "government approval." The only restrictions were midweek travel with a \$50 weekend surcharge. The fare to Hamburg has been accepted by West Germany, but that to Nice was summarily rejected by Air France. This means that the cheapest promotional round-trip fare between New York and Nice is \$779 for both airlines.

Nevertheless, Krinski expects to get a thousand new tour passengers a week to Nice. "I will certainly make money to Nice this summer," he says. "But I've got to have some interesting pricing opportunity for the season. The three major components for stimulating this market are price, price and price."

Aggressive marketing, additional capacity and pressure from tourist agencies and consumers may yet open up Nice and other markets to healthier competition. But if Pan Am is to succeed, its product will have to match the promise of the promotion.

García Lorca

Continued from page 3

being a foreigner writing about one of Spain's greatest writers, but "I can tell you one thing, if Franco had lost the war, probably none of us would be here"—Hugh Thomas, Gerald Brenan, Herbert Southworth, Gabriel Jackson, Jean-Louis Schonberg, Claude Couffon and the many others who wrote about Spain, her revolution and the life afterward. Up until the time of Franco the country had a flourishing and brilliant culture, but it was suppressed, Spaniards could no longer write about so many things.

Nobody could be more enthusiastic about his adopted land than Gibson. He said, "Madrid is the most exciting city in Europe today. It is an amazing phenomenon, so much is going on to those who knew Madrid years back it is nothing short of a miracle. For some it may be bloody awful, but for me it is the sanctum sanctorum."

Gibson who has lived in Madrid since 1978 with his English wife, Carol, and their two teen-aged children, says that Madrid is like Dublin. It has a living center, not like London where things are spread out.

After graduating from Trinity College, Dublin, with honors, he taught first at Queens College in Belfast and then at London University and finally gave up teaching in 1975 to devote himself to writing. His other works include "En Busca de José Antonio" (In Search of José Antonio), "La noche que Mataron a Calvo Sotelo" (The Night They Killed Calvo Sotelo), "Paracuellos: Como Fue" (Paracuellos: How It Was), "Un Irlandés en España" (An Irishman in Spain) and "The English Vice," this last being a study of brutality in British public

schools. He is also working on a four-part documentary with the film director Juan Antonio Bardem on the life of Lorca. "I think it is going to be very exciting—they are casting now, it must be a person with enormous charisma. I personally would like to see Jack Nicholson, but I don't suppose he would be interested."

Gibson considers the finest poems are those in "The Poet in New York" and he especially likes "Poemas del Lago Edem Mills" (Poems from Edem Mills Lake), a lake in Maine where the poet visited and was enchanted by the plants that reminded him of Granada. "The poem has a wonderful, lyrical, wistful melancholy."

"As for his plays, I like them all, but I think the best one is 'La Casa de Bernarda Alba,' which deals with an embittered widow and her four daughters. 'His style had tightened up and he had broadened his horizons after the New York experience.'"

"But," said Gibson, laughing ruefully, "there is little about the man I don't like. Modern man has lost the sense of being part of nature. Lorca helps him to return to this. He has a mystical, childlike quality that will always appeal to me, his fantastic use of metaphors. Lorca puts one in touch with the deeper levels of the mind, he takes one back to their roots."

In his first book, Gibson quoted a Granada friend of the poet, Gerardo Rosales who said of Lorca, "Como un niño de mil quinientos años" (Like a child of 1,500 years).

Mary Peterson Kennedy is a journalist who writes on Spanish cultural affairs.

TRAVEL

A Busy Springtime in London

by Jo Thomas

LONDON—The endless days of spring and summer, when the light lingers long past 10 P.M., offer a perfect time to visit London. If you are coming from the United States, the strength of the dollar makes it easier to stay here, although you may find yourself compelled to buy another suitcase before you leave.

Bring your sense of humor and brace yourself for crowds of Americans buying up the place and living like kings. Try, however, to make your hotel reservations early. The American Bar Association has London practically booked up from July 9 to 22, but at other times there are still delightful places to stay in a wide price range. Avoid scheduling anything on May 27 or Aug. 26. They are bank holidays and everything—from banks to galleries and museums—is closed.

There are many guides to London and its history, and taxi drivers are a fine source of information, but if you want to see a lot in a short time, a few hours on a tour is recommended.

London Transport offers a double-decker bus tour to Westminster Abbey, the sights of—and historic gossip about—the West End and, when possible, the Changing of the Guard ceremony at Buckingham Palace. The price is the equivalent of \$10, \$6.25 for children. The tour leaves at 10 A.M. from Wilton Road Coach Station, near Victoria Station, and returns at 1 P.M. Book through London Transport or through your hotel, or call 222-1234.

If you decide to show yourself around, London Transport has free maps, but a street guide called "A to Z (here called A to Zed) Inner London in Super Scale" is especially useful. It's small, costs \$2.60, and can be purchased at many bookshops.

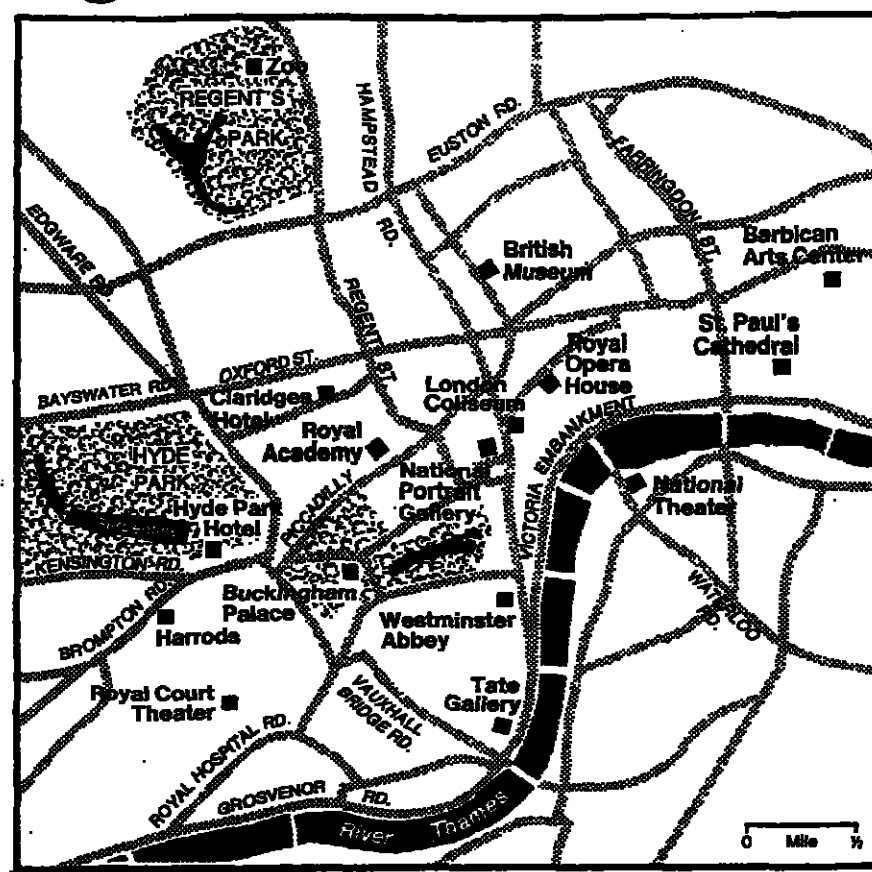
THIS is the 400th birthday of the City of Westminster and the 300th birthday of George Frederick Handel, and if you happen to be here on July 13 don't miss the free concert at the Serpentine in Hyde Park, which will start at 10 P.M. and combine Handel's "Royal Fireworks Music" and "Water Music" with a fireworks display launched from rafts. The music will be performed by André Previn and the Royal Philharmonic Orchestra.

The Royal Opera in Covent Garden is offering five performances in May of "Samson et Dalila" with Plácido Domingo and Agnes Baltsa. In June and July you can see Jessye Norman or Rosalind Plowright in "Ariadne auf Naxos" and Frederica von Stade in "La Donna del Lago." (Tickets £7 to £37, about \$8.50 to \$45.) A high point of the summer will be the English National Opera's new production of Michael Tippett's "The Midsummer Marriage" at the London Coliseum in May and June. (£3.50 to £15.50.)

The Royal Ballet is presenting "The Sleeping Beauty" and "Les Sylphides" in May, "Swan Lake" in May and July, and "Romeo and Juliet" in August. (£4.50 to £21.)

On stage, Ian McKellen is in "Coriolanus" on Olivier stage of the National Theatre May 31 and June 1. Michael Frayn's version of Chekhov's "Wild Honey" will be at the Lyttelton May 15 to 23. (£5.50 to £11.50.) The Royal Shakespeare Company is presenting "Richard III," "Hamlet" and "Henry V" in May and June at the Barbican. (£4 to £11.50.)

In a large industrial paint depot at 98A Boundary Road in St. John's Wood, an elegant private gallery of contemporary art has opened. It is London's newest museum, and it still has no name. Charles Saatchi, of the advertising firm of Saatchi & Saatchi, and



The New York Times

his wife, Doris, have collected the work of artists they admire and are showing a small part of their collection, the work of Andy Warhol, Donald Judd, Bruce Nauman, Richard Serra, Cy Twombly and Bruce Marden. It is open from noon to 6 P.M. Friday and Saturday and on other days by appointment. (624-8299.)

The British Museum (Great Russell Street, WC1) is opening seven new sculpture galleries in the basement to show the bulk of its Greek and Roman collection, some 1,500 objects that have not been on display since 1939. They include exhibits from two of the seven wonders of the ancient world: figures from the tomb of Mausolus at Halicarnassus—which gave the word "mausoleum" to the world—and carvings from the Temple of Artemis at Ephesus. (Monday through Saturday, 10 A.M. to 5 P.M., Sundays from 2:30 to 6 P.M. Admission is free.)

DIAL Children's London at 246-8007 for recorded information about activities for them. An excellent guide, "Kid's London," published by Piccolo, is about \$3.

The universal favorites seem to be the zoo at Regent's Park, which has a children's zoo (admission is \$4 for adults and \$2 for children, 9 to 6 Monday to Saturday and 9 to 7 Sunday); Hamley's 188 Regent Street, a toy store that can only be described as colossal, and the Science Museum (Exhibition Road, SW7), which is connected to the Natural History Museum so you can walk next door for the dinosaurs. (Monday to Saturday 10 to 6 P.M., Sunday 2:30 to 6 P.M.)

For a reliable baby sitter try Childminders at 935-2049 or 935-9763. There is a registration fee of \$3.75, but the hourly charges are reasonable (from about \$2 to \$2.50 an hour, depending on the time and day), and the sitters are available on very short notice.

Shopping is nothing less than breathtaking in London, if you are looking for a good buy. Clothes, especially woolsens and cashmeres, are favorites, as are antiques and

china. The latest prices on Burberry raincoats are the equivalent of \$285 for men and \$269 for women (including 15 percent Value Added Tax, which is refundable).

MANY shoppers start at Harrods, which has everything, or at Marks & Spencer on Oxford Street, which has wonderful clothes and low prices. Marks & Spencer takes no credit cards, has no dressing rooms, and will take traveler's checks only in pounds. Women's cashmere sweaters in a classic pullover style at Marks & Spencer are \$53 and come in gray, navy, camel or red. Men's cashmeres come in more colors, including yellow and light blue, and seem to be even better in quality at \$69. Beautiful all-cotton sweaters sell for \$15 for women and \$17.50 for men. Lamb's-wool pullovers are \$14 for women or men.

The Scotch House in Knightsbridge is famous for quality knitwear, kilts and plaid materials. A classic cashmere sweater costs from \$80 to \$125, while a hand-knitted cashmere sweater is \$250. A plain cashmere sweater dress is \$150.

There is enormous variety at Gray's Antique Market, open Monday through Friday only, during business hours. Take the underground to the Bond Street station and walk down the street past the Hog in the Pound Pub. The shops in the market offer everything from antique toys and jewelry to swords and helmets. A sterling silver dressing table set—comb, brush and mirror—in fine condition was \$130. Heavy silver frames are \$125 to \$250, and crystal perfume bottles with silver tops go for about \$175. You can bargain with many of the dealers.

The largest collection of British contemporary glass can be found at Coleridge, which has its main gallery at 192 Piccadilly. Items include Anthony Stern's bright vases (\$330 to \$500), subtle landscapes by William Walker (\$290 to \$375) or plates by Brian Blanton (\$1,000 and up). You can also find glass nuggets and marbles from about 10 cents.

For china, you might try Harrods or walk a short distance to the Rejert Shop at 183 Brompton Road, at the corner of Beauchamp Place, which sells perfect china at popular prices. The best-selling Royal Albert Old Country Rose goes for \$174 at the Rejert Shop and at \$193 at Harrods for a service for eight five-piece place settings. Coalport Countryware is \$155 at the Rejert Shop and \$172 at Harrods, also for a service for eight.

RENE Bajar, who was head chef at Le Gavroche, Britain's leading French restaurant for 10 years, has just opened Mazzini (30 Winchester Street, SW1) in Fimlico. The menu is French and small—two fish and two meat dishes, appetizers and cheese or a dessert. You can choose from four good and simple wines, included in the price. We had cream of leek soup, lamb with tarragon sauce, a warm puff pastry with grapes and a bottle of Muscadet. (Monday through Saturday, dinner only, 7 to 11:30, \$27 a person. Tel: 828-3366.)

For attentive service and very good food in beautiful surroundings, Rue St. Jacques, just one block off Oxford Street at 5 Charlotte Street, W1, is recommended. The German chef, Gunther Schlender, was offering grilled guinea fowl in a juniper-herb-flavored sauce recently, but the menu changes frequently, offering the best of what is in season. You're now likely to find new lamb with Madeira sauce or grilled duck with ginger and honey. (Monday through Friday, 12:30 to 2:15 and 7:15 to 11:15; \$70 for two, tax and service included. Tel: 637-0222.)

A third choice, especially for lunch if you happen to be antique-shopping on Portobello Road, is Clarke's at 124 Kensington Church Street, W8. Sally Clarke, the owner and chef, cooked at Michael's in Santa Monica before coming here. (Monday through Friday 12:30 to 2:15 and 7:30 to 10:30, Saturday for dinner only. Lunch \$9.25 or \$11.75, including tax and service; dinner \$16.75 inclusive.)

If you're shopping on the King's Road in Chelsea, Foxroot Oscar (79 Royal Hospital Road, SW3), is a jolly, reasonably priced place for lunch (352-7179). Lunch or dinner with a bottle of wine would be \$20 to \$25 for two people. Hilaire (68 Old Brompton Road, SW7) has a lovely luncheon menu for \$11.75 if you're in South Kensington (584-8993).

For accommodations, the Connaught, Berkeley, the Savoy and Claridges are still delightful and still expensive, starting at \$144 for a double room. If you know them, you might want to try an elegant Mayfair hotel whose address is its name, 47 Park Street (491-7282). It has suites, all with modern kitchens even though room service is from La Gavroche, and the porters will do your grocery shopping. With a minimum stay of three nights, rates start at \$185 for one bedroom, \$310 for two.

The Stafford Hotel, in a quiet cul-de-sac between St. James's Street and Green Park, is convenient to shops and the theater. Rooms begin at \$144 double (493-0111). In the same price range is the Hyde Park Hotel in Knightsbridge, close to some of the best shopping. Double rooms are \$150, or \$175 if you face Hyde Park (235-2000).

Less expensive hotels that come well-recommended are the Ebury Court (26 Ebury Street, SW1; 730-8147; from \$52.50 double), an unpretentious and charming hotel where you may get a four-poster bed, and Number 16 Summer Place (16 Summer Place, SW7; 589-5232) from \$65 double, which will bring breakfast to your room, provides a refrigerator, but has no restaurant. An elevator is being installed. Staying there is like being a guest in an elegant home.

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Europe's Summer Festivals

Continued from page 9

because of the reopening last February of the gorgeous Semper opera house and East German's attempt to attract stellar performers. The Prague Spring Festival is well attended, too, in part for unusual Czechoslovak opera repertory—in particular the works of Smetana, Dvorak and Janacek—and in part for the sheer beauty of the city.

One other category of festival might be singled out, in which an unusual setting provides a lure of its own. Chief among such festivals are the opera performances in the Roman arena in Verona, Italy, and in the Roman theater in Orange, France, as well as on the floating stage in Lake Constance at the Bregenz Festival in Austria, in the courtyard of the former archbishop's palace in Aix-en-Provence, France, and the bucolic Arcadian of Glyndebourne, south of London: Picnicking in formal attire on the manicured lawn of a country estate across a fence from contented cows is all very English and really quite wonderful. The music isn't bad, either.

All the festivals mentioned thus far are proven winners, longstanding events at which distinguished musical offerings are almost guaranteed. But there are many other festivals, and what follows is a more idiosyncratic selection based on what seems interesting to me.

The most obvious trend this year is the attention paid to the trecentenaries of Bach, Handel and Domenico Scarlatti and the trecentenary of Heinrich Schütz; the century of Alban Berg, conversely, is being slighted, which goes to show that the music business honors its own only if they have proved themselves at the box office.

Some festivals are designed by their very concentration on the Baroque to do honor to Baroque composers. The Aunsbach Bach Week in West Germany, for instance, offers a fine assortment of early-music specialists. The Netherlands, home of many of those specialists, has an Ancient Music Festival in late August and early September in Utrecht,

as well as an Amsterdam Scarlatti Marathon in October, with 55 musicians plowing through all of the composer's 500-plus harpsichord sonatas. And then there is Sweden's idyllic Drottningholm Court Theater, which offers some of Europe's most imaginative early-music performances in a perfectly preserved Baroque theater (the one used in Ingmar Bergman's film of Mozart's "Magic Flute").

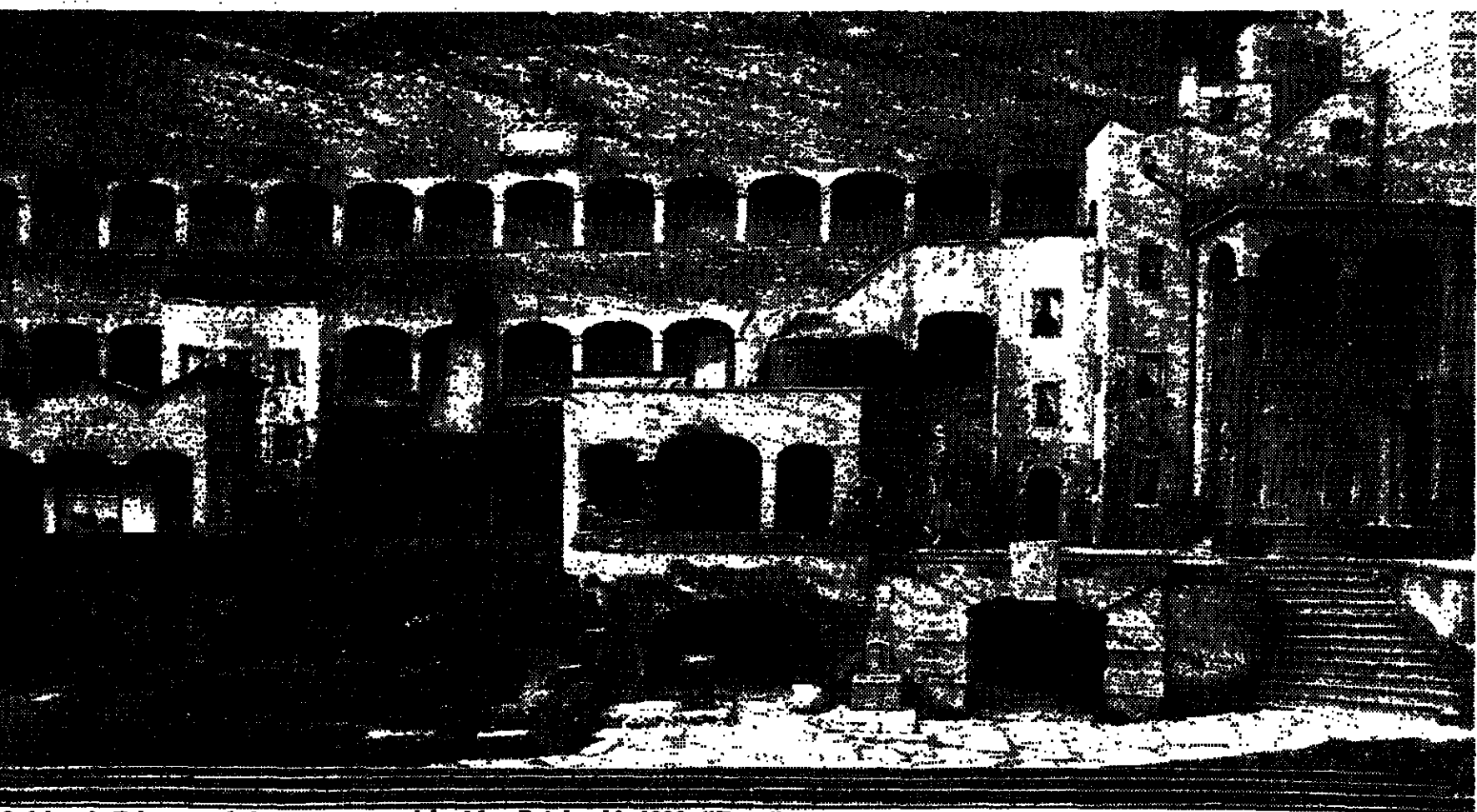
CONNOISSEUR'S delight? Try England's Aldeburgh in June, the festival founded by Benjamin Britten and carried on by his friends, among them Murray Perahia, the American pianist; there is a pendant in August in the form of the Rostropovich Festival, also in the Snape Maltings Concert Hall near Aldeburgh.

Or the Bordeaux Festival this month, which offers a particularly rich collection of French musicians. Or the Festival Hector Berlioz in and near Lyon. Or Austria's Schu-

bertade Hohenems, a feast of Schubert's music by leading lieder and chamber musicians, including three different accounts of his song cycle "Die Winterreise." Or Gian Carlo Menotti's Spoleto Festival in Italy, or Finland's Savonlinna Festival. For those interested in contemporary music, there are three fine fall festivals: the Festival d'Automne in Paris, the Warsaw Autumn and the Styrian Autumn in Graz, Austria.

Whatever your musical tastes, there should be something to enjoy. And remember: what makes a festival special is not just the quality of its performances or the charm of its setting. It is the very fact that visitors have extricated themselves from their everyday lives, made a journey from afar and hence have become especially receptive to an artistic experience out of the ordinary. It doesn't always happen just that way. But it happens often enough to make the journeys worthwhile.

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Salzburg's Felsenreitschule, as it appeared for Max Reinhardt's 1930s "Faust" production.

NYSE Most Actives									
Vol.	High	Low	Open	Close	Chg.	Vol.	High	Low	Open
IBM	121.25	120.75	121.00	120.75	-0.25	IBM	121.25	120.75	121.00
AT&T	100.00	99.50	100.00	99.50	-0.50	AT&T	100.00	99.50	100.00
GE	40.00	39.50	40.00	39.50	-0.50	GE	40.00	39.50	40.00
AMT	25.00	24.50	25.00	24.50	-0.50	AMT	25.00	24.50	25.00
...

Dow Jones Averages									
Index	Open	High	Low	Close	Chg.	Index	Open	High	Low
Indus.	1201.88	1205.57	1204.55	1205.27	+18.49	Indus.	1201.88	1205.57	1204.55
Transp.	157.88	158.51	158.24	158.51	+0.63	Transp.	157.88	158.51	158.24
...

NYSE Index									
Index	Open	High	Low	Close	Chg.	Index	Open	High	Low
Composite	1152.51	1154.44	1153.51	1153.51	+0.97	Composite	1152.51	1154.44	1153.51
...

NYSE Closing									
Vol.	High	Low	Open	Close	Chg.	Vol.	High	Low	Open
...

AMEX Diaries									
Index	Open	High	Low	Close	Chg.	Index	Open	High	Low
...

NASDAQ Index									
Index	Open	High	Low	Close	Chg.	Index	Open	High	Low
...

AMEX Most Actives									
Vol.	High	Low	Open	Close	Chg.	Vol.	High	Low	Open
...

Dow Jones Bond Averages									
Index	Open	High	Low	Close	Chg.	Index	Open	High	Low
...

Dow Average Up 10.49 Points

NEW YORK — Stock prices made their biggest advance in more than two weeks Thursday, rebounding from a modest setback in the previous session. Bank stocks posted some exceptionally good gains in a relatively busy day on Wall Street.

The Dow Jones average of 30 industrials, down 2.98 Wednesday, climbed 10.49 to 1,205.27, for its best showing since it rose by 12.15 points April 23.

Volume on the New York Stock Exchange reached 110.99 million shares, up from 101.27 million Wednesday.

The market had slipped Wednesday on indications from the Federal Reserve chairman, Paul A. Volcker, that the central bank had not taken any recent steps to relax its credit policy. But analysts noted that Mr. Volcker also hinted at a possibility the Fed's strategy might be changed when its policy-setting Open Market Committee meets May 21.

Interest rates dropped in the credit markets. Thursday as investors awaited the results of the third and final day of the Treasury's quarterly sale of bonds and notes, which totals a record \$20.5 billion.

Rates on short-term Treasury bills came down 3 to 4 basis points, or hundredths of a percentage point. Prices of long-term government bonds, which move inversely with interest rates, rose about \$3 for every \$1,000 in face value.

Meanwhile, investors' spirits apparently got a lift from reports that President Ronald Reagan was planning to retain favorable treatment for long-term capital gains in his forthcoming tax-reform proposal.

In bank trading, Bankers Trust New York

U.S. Money Supply Falls

NEW YORK — The basic measure of the U.S. money supply known as M-1 fell \$900 million in the week ended April 29, dropping to a seasonally adjusted \$575.2 billion from \$576.1 billion the previous week, the Federal Reserve Bank of New York reported Thursday.

M-1 includes cash in circulation, checking-type deposits at banking institutions and non-bank travelers checks.

Rose 1 1/4 to 6 3/4, Banc One 3/4 to 3 1/4, Citicorp 1 1/4 to 4 7/8, Republic New York 2 to 4 3/4 and AmSouth Bancorp 1 1/4 to 2 3/4. All five issues made the list of stocks reaching 52-week highs.

Matured rose 1 to 1 3/4. It reported an operating profit of 25 cents a share for the first quarter, against a loss from operations in the comparable period a year earlier.

K mart, which posted a 12.9-percent sales increase for April while most other retailers turned in mixed results, gained 3/4 to 35 3/4. Other retail issues typically recorded smaller gains.

Trans World Airlines rose 1/4 to 16 1/4. After the close, Carl Icahn, the financier, said he and companies he controls had acquired 20.5 percent of TWA's stock.

In the daily tally on the Big Board, more than two issues rose in price for every one that declined. The exchange's composite index moved up .75 to 105.31.

Nationwide turnover in NYSE-listed issues, including trades in those stocks on regional exchanges and in the over-the-counter market, totaled 130.29 million shares.

Standard & Poor's Index									
Index	Open	High	Low	Close	Chg.	Index	Open	High	Low
...

FACT!! 600% PROFITS

In advocating the purchase of GULF at \$31, (it was subsequently absorbed at \$80), our analysts noted ... The oil glut will prove a temporary illusion. The fissures that catalyzed the OPEC crisis have never healed, indeed, they are more distinct now than they were when hydrocarbon stocks gushed. While it is true that a statistician can "deduct" that Jacqueline Bisset is concave, one fact persists: the United States is exhausting its oil and gas reserves. The dominoes are quivering. Pan-Arabism is little more than a facade disguising bitter doctrinal and nationalistic differences. Fundamentalism and secularism, Sunni versus Shiite, the classical antithesis in the cradle of civilization. Will the cradle become a crypt?

The final flare up between adversaries may be imminent, a "Jihad" that will spiral petroleum prices. It may be unduly frigid to conjure up capital gains by alluding to chaos. We are security analysts not moralists. The "Seven Sisters," the international oil Amazons, are voracious, juggernauts in lockpicks riding over hurdles to achieve roseate profits. Ignore the platitudes of sages who insist that oil prices will plummet. As contrarians, we mock the "consensus."

The Sisters are corporate courtesans. They will writhe like Salome, creating a script that will erupt above OPEC highs. Buying oils now will prove as prescient as having climbed aboard Aero-Space shares when CQR, as mavericks, recommended BOEING at \$18 and LOCKHEED at \$41. (Boeing climbed to \$66, LOCKHEED flew over \$140 before a 3-1 split).

Our forthcoming letter focuses upon energy shares that may be ingested by oily predators. In addition, we recommend a low-priced emerging Venture Capital entity with the dynamics to vault, as did a recently reviewed "special situation" that escalated 600% in a brief-time span.

For your complimentary copy, please write to or telephone.

C.V.C. Capital Venture Consultants
Amsterdam B.V.
Kalkersstraat 112
1012 PK Amsterdam, The Netherlands
Phone: (020) 27 51 51 Telex: 18536

Name: _____
Address: _____
Phone: _____

HT 10/5

NYSE Most Actives									
Vol.	High	Low	Open	Close	Chg.	Vol.	High	Low	Open
IBM	121.25	120.75	121.00	120.75	-0.25	IBM	121.25	120.75	121.00
AT&T	100.00	99.50	100.00	99.50	-0.50	AT&T	100.00	99.50	100.00
GE	40.00	39.50	40.00	39.50	-0.50	GE	40.00	39.50	40.00
AMT	25.00	24.50	25.00	24.50	-0.50	AMT	25.00	24.50	25.00
...

JP KUBI SA

BUSINESS ROUNDUP

BASF 1st-Quarter Profit Rose 16%

By Warren Getler
International Herald Tribune
LUDWIGSHAFEN, West Germany — BASF AG, West Germany's largest chemical company, said Thursday that group pretax profit climbed 16 percent in the first quarter, to 742 million Deutsche marks (\$233 million), from 640 million DM a year earlier.

Hans Albers, BASF's managing board chairman, said the year began on a flat note, with January and February results hampered by poor weather in Europe, BASF's largest market. But he said a "booming" March gave the company the momentum needed for strong profit growth at least until summer.

Ronald Schmitz, the company's finance director, said March profit was the strongest ever for that month, boosted by brisk U.S. sales, particularly in agrochemicals.

Mr. Schmitz said first-quarter sales in the United States increased 3 percent in dollar terms, to \$669 million, from \$649 million. In

Deutsche marks, he said, that converted to a 22-percent increase. Pretax first-quarter profit in the United States rose 8 percent in dollar terms, to \$44 million. Mr. Schmitz did not provide DM figures.

Mr. Albers said BASF recently moved to bolster its position in the United States, which accounted for 16 percent of 1984 group sales, by completing the acquisition of three subsidiaries of Celanese Co. of New York.

The takeover, which company officials said cost \$135 million, gives BASF a solid foothold as a supplier of specialty plastics and carbon fibers to the U.S. aviation and aerospace industry, Mr. Albers said.

BASF is studying other U.S. acquisitions. One board member said privately that it is paying close attention to Inmont Co., the automotive paint-making subsidiary of United Technologies Corp., with 1984 sales of nearly \$1 billion.

Mr. Albers said worldwide sales

rose 10.3 percent, to 11.14 billion DM, in the first three months from 10.1 billion in first quarter 1984. Top performers were engineering plastics, fibers, specialty chemicals, crop protection products and pharmaceuticals, he said.

While acknowledging that the strong dollar had boosted BASF sales in the United States, as well as in foreign markets where the company competes against U.S. and Japanese chemical giants, Mr. Albers stressed that cost-cutting measures at home and the introduction of new specialty products, particularly in plastics, had helped the company's profits.

The company remains troubled by losses in oil refining but has managed to cut these considerably, Mr. Albers said. BASF cut its deficit in refining operations last year to 120 million DM from 200 million DM, narrowing the loss further this quarter.

Fertilizers returned to profit in the first quarter after showing a loss at year's end.

Ramada Project Set With Intasun

Reuters
LONDON — Intasun Leisure Group PLC and Ramada Hotel U.K. Ltd., a subsidiary of Ramada Inns Inc., said Thursday that they have formed a joint hotel venture in Britain which will invest £100 million (\$120 million) in its first phase.

The initial phase will involve buying or leasing eight to 10 hotels in London and the provinces in the next three to four years.

In a parallel move, Intasun and Ramada have formed a joint hotel management company to manage the joint venture hotels and other Ramada hotels in Britain, the statement said. The joint venture has the exclusive right to develop Ramada hotels in Britain and will also manage London's Barbican City Hotel, which will become a Ramada Inn on completion of refurbishment.

Pan Am Loss Rises to \$138.7 Million

The Associated Press
NEW YORK — Pan Am Corp. said Thursday that its first-quarter loss widened to \$138.7 million from a loss of \$70.3 million a year earlier because a month-long strike curtailed operations of its Pan American World Airways unit.

Operating revenue fell 22.3 percent, to \$682.9 million from \$878.8 million a year earlier, mostly as a

result of the March walkout by the Transport Workers Union, which reduced flight schedules to about a third of normal capacity.

"We are now taking steps to quickly rebuild our traffic through new marketing and pricing initiatives and have expanded our summer schedules in anticipation of heavy demand, especially in Europe," said Gerald Ginter, Pan Am's vice chairman.

Goldsmith Fails in Board Bid

Reuters
SAN FRANCISCO — Sir James Goldsmith, the British entrepreneur, failed Thursday to win any seats on the board of Crown Zellerbach Corp. at its annual meeting.

The company's chairman, William Cresson, said a preliminary count of proxies showed the management-nominated directors were overwhelmingly elected.

He said the official count may not be known for weeks.

Sir James is Crown Zellerbach's largest shareholder and announced on Wednesday that he had doubled his stake in the company, to 19.6

percent of the common shares outstanding.

Earlier, Sir James failed in an attempt through a federal court in New York to delay Thursday's meeting of shareholders. He did not attend the meeting.

But a representative for the financier said Sir James and two other names in nomination, including interest payments on debt, depreciation of assets and most employee benefit costs, were not reduced by the strike.

During the first quarter, the airline had capital gains of \$16.1 million from the sale of six aircraft, compared with capital gains of \$3.6 million a year earlier.

The company last month agreed to sell its huge Pacific division to United Airlines for \$750 million as part of its continuing efforts to stem losses and improve its balance sheet.

Total's Profit, Aided by Dollar, Up 120% in '84

Reuters
PARIS — Cie. Française des Pétroles, which markets under the Total name, said Thursday that earnings rose sharply last year due to the impact of the dollar's surge in value.

It said net attributable consolidated profits rose 120 percent, to 1.71 billion francs (\$180 million) in 1984, from 774 million francs the previous year.

Operating profits before depreciation and provisions rose 7 percent, to 8.72 billion francs from 8.14 billion francs.

The figures were boosted by a 1.4-billion-franc gain on the replacement value of Total oil stocks due to the surge in the dollar's value against the franc last year, the company said.

Excluding this element, profit before depreciation and provisions fell 7 percent, to 7.32 billion francs from 7.84 billion francs, it said.

Operating profits were derived almost entirely from oil production, notably in the North Sea, Total said. Refinery and distribution activities continued to make losses because of depressed market conditions.

COMPANY NOTES

American General Corp.'s 15-year convertible Eurobond issue has been increased to \$300 million from the initial \$250 million, said the lead manager, Credit Suisse, First Boston Ltd.

Australian National Industries Ltd. will buy Anax Pty., a subsidiary of Oakbridge Ltd., on June 1 for an undisclosed amount of cash, both companies said.

Bicc Telecommunications Cables Ltd. said it has won a \$10-million contract from North Supply Co. of Kansas, a unit of United Telecommunications Inc., to make and lay 370 miles (600 kilometers) of optical-fiber cable. The cable will be part of a U.S. trunk network.

Caltex Oil Hong Kong Ltd. is planning a major joint-venture property development at a former oil depot, it said, but it would not give the cost of the venture. Plans call for 6,500 apartments covering a total of 4 million square feet (371,600 square meters).

Coast R.V. Inc. said it has agreed to acquire the wholesale recreational-vehicle parts business of Rogers Distributing Corp. for an undisclosed price. The Rogers unit had sales of about \$22 million in 1984, Coast said sales of \$17 million.

Electronics said it has acquired Manufacturing Resources, a producer of printed circuit-board assemblies, from Esterline Corp. for

undisclosed terms. Electronics also makes printed circuit boards.

Hunter Douglas Group said it had begun construction of a \$20-million manufacturing and service center in Tupelo, Mississippi.

Korea Steel Chemical Co., a subsidiary of Daewoo Corp. of South Korea, has agreed with General Motors Corp. to form a 50-50 joint venture to produce plastic car bumpers, Daewoo said. The venture will build a plant in South Korea by next year.

Kunze-ICC Corp. and the West Australian government failed to reach agreement in talks on a stake in a \$750-million aluminum smelter in Worsley, Australia.

Mostek Corp. has laid off 1,600 workers in Carrollton, Texas, and plans to close a wafer-making plant in Colorado Springs, Colorado.

Tandy Corp. said it has signed a contract for Computadores y Asesoramiento SA of Mexico City to make Tandy 1000 personal computers using Tandy-supplied parts.

Tektron Corp. said its board approved a 3-for-2 stock split payable May 21 to holders of record on May 20.

Toys "R" Us Inc. said sales for the quarter ended May 5 increased 31.2 percent to \$324.5 million from the 1984 period. Revenues were aided by strong sales of Cabbage Patch dolls, it said.

Staff Cutback Begins at AMC

The Associated Press
DETROIT — American Motors Corp.'s layoffs of white-collar workers, which have started in the company's regional offices, are so severe that "everyone's getting hit," including people with as much as 18 years of service, sources say.

The struggling auto company made official Wednesday the first layoffs of a crash plan announced last month, when it said it would close four of 12 regional sales and service offices and lay off 72 employees from those offices in Boston, Philadelphia, Pittsburgh and Kansas City, Missouri. Larger cuts in could be expected on or before May 17, company sources said.

AMC, which is 46-percent owned by the French carmaker Renault, reported a \$29-million loss in the first quarter, which it attributed to slow sales of its Renault Alliance and Encore subcompacts made in Kenosha, Wisconsin. Renault recently reported a \$1.3-billion loss for 1984.

AMC has not said how many of

Mitel Expects Big New Investor

Reuters
KANATA, Ontario — Mitel Corp. said Thursday a major multinational corporation may buy new equity in the company at eight Canadian dollars (\$5.85) a share to obtain a controlling interest in the Canadian electronics concern.

Mitel said it is currently in negotiations which could result in a "substantial" investment through newly-issued shares. A statement was expected soon.

Trading in the stock was halted on the Toronto Stock Exchange. It resumed to climb 1.25 dollars, to nine dollars, before the close.

Gold Options (quotes in \$/oz.)				
Month	May	June	July	Aug.
300	475.125	475.125	475.125	475.125
300	475.125	475.125	475.125	475.125
300	475.125	475.125	475.125	475.125
300	475.125	475.125	475.125	475.125
300	475.125	475.125	475.125	475.125

STOCK	US\$	US\$
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International by	5 1/2	6 1/2
City-Clock		
International sv	2 3/4	3 1/4

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Net Asset Value
on May 2, 1985
Pacific Selection Fund N.Y.
U.S.\$1.47 per U.S.\$1 unit.
Pacific Selection
Fund N.Y.

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INTERNATIONAL FUNDS

Quotations Supplied by Funds Listed
9 May 1985

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose values are based on issue prices. The following quotations are for the funds listed below. All values are in U.S. dollars.

AL MAL MANAGEMENT		\$149.99
BANK JULIUS-BAER & CO. L.M.		
(S) Bank of America	\$F 122.25	
(S) Bank of Montreal	\$F 122.25	
(S) Bank of New York	\$F 122.25	
(S) Bank of Paris	\$F 122.25	
(S) Bank of Rome	\$F 122.25	
(S) Bank of Spain	\$F 122.25	
(S) Bank of Sweden	\$F 122.25	
(S) Bank of Switzerland	\$F 122.25	
(S) Bank of Tokyo	\$F 122.25	
(S) Bank of Union	\$F 122.25	
(S) Bank of Vienna	\$F 122.25	
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